THE FINANCIAL POST

OF CANADA

The Canadian Newspaper for Investors

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WAR TRADE BOARD TO TAKE UP INDUSTRIAL RELATIONS WITH THE UNITED STATES

Announcement Forecast of Canadian Federal Body to Deal With Problems of Getting Raw Materials For Manufacturers

INDUSTRY FAVORABLE TO FREIGHT RATE INCREASE

Manufacturers' Association on Record as Not Opposing the Advances Made—Not Likely That Canada Will Follow Example of American Government as Regards National Operation—A Problem of Labor.

CANADIAN industry and business have never faced more unsettled conditions than at the moment. The shortage in the coal supply, the difficulties with transportation, the embargo governing U.S. raw materials, the unsupplied demand for electric power—these are but a few of the actual difficulties to be faced, not to mention the great post-war problems regarding tariffs, markets and labor.

In these various problems THE FINANCIAL POST sees a necessity for close coöperation with the United States, particularly as regards those activities having a bearing upon war efficiency. In particular point there is the matter of the priority order and its effect on the movement of raw materials into Canada. We have strongly advocated the appointment of a body with federal authority to go to Washington and in a practical way work out the best means of meeting the situation. We have recommended that such action be taken at once in order that relief may come to Canadian manufacturers.

Under the circumstances THE FINANCIAL POST is pleased to be able to forecast the appointment of a War Trade Board. This body, which is now being organized at Ottawa, will look after the question of trade between Canada and the United States. F. C. T. O'Hara, who we believe has not been able to handle the situation with the curtailed powers of Deputy Minister of Trade and Commerce, will probably be made chairman. On the board there will be representatives from the Customs Department, the Industrial and Scientific Research Council, Food Controller's office, etc., and also, likely, trade experts from the Manufacturers' Association. The board will coördinate the work of issuing licenses and try to work system out of the present confusion over the question of shipments between Canada and the States.

That such action is not being taken a moment too soon is indicated by reports of difficulties in which manufacturers find themselves owing to important raw materials being cut off—materials which Washington has shown a willingness to let us have when officially convinced of our needs. The situation as regards coal has been improved through closer coöperation with American authorities and it is expected that similar good will result from the activities of the new trade body.

THE RAILWAY SITUATION

Developments of the week have had an important bearing upon the transportation situation. Outstanding events were the announcements from Ottawa and Washington, the former granting the 15 per cent. in rates for which Canadian roads have so long waited and the latter telling of the decision of President Wilson to have the American Government take over the railroads in the United States for operation during the war. The latter was accompanied by assurance that the interests of shareholders would be looked after. This and the conclusion that the Railway Commission has also some sympathy for the investor brought cheer to the financial situation as did the assurance of better service to manufacturing interests.

There does not seem to be any probability that the Canadian Government will follow the example of that of the United States. The situation has not been so bad here as on the other side of the line and the higher rates will provide some measure of relief, although offset by the higher expenses being paid. Then there is not the same difficulty in getting the three Canadian systems to coöperate as there is the many roads in the United States. In Canada efficient service is being worked out through the Railway War Board. However, should the war continue and conditions make some drastic action necessary for the protection of industrial and financial interests the example of President Wilson's action would undoubtedly have an important influence in deciding the Federal policy.

LABOR THE BIG FACTOR

Students of the situation believe that the further demands of the Railroad Brotherhoods in the United States have been largely responsible for the President's decision. A big strike at the present time would have disastrous results. Now the Government will deal with the men's claims.

In Canada further demands by labor might force similar action. The Government in stepping in would in practical effect conscript railroad labor in the national interest. Such action could be taken under the War Measures Act. Otherwise with the roads working together under the Railways War Board efficient service is reasonably assured.

MANUFACTURERS AND INCREASED FREIGHTS

The long-deferred decision of the Railway Commission, granting the rate increase to Canadian roads, did not come as any surprise to Canadian manufacturers. They were prepared for it. The Manufacturers' Association was on record as having no opposition to the railroads' requests as indicated by the following resolution which was filed with the Commission during the inquiry:

"The Canadian Manufacturers' Association will not oppose such increase in rates not exceeding 15 per cent., as the Board of Railway Commissioners may consider proper, with the exception of tariffs covering coal, coke, milling-in-transit and similar services, and after giving proper consideration to such articles as are of little value and carry very heavy freight charges, like crushed stone, sand and gravel, on the following conditions:

"1. That it be considered strictly as a war measure."

"2. That the Board can satisfy themselves that this increase will enable the railways to provide an adequate service throughout."

"3. That it shall remain in force for a limited period, to be determined by the Board."

The roads themselves contend that the increases are not nearly great enough to meet the higher costs, but at least there must be considerable improvement in their position as the result of the advance. From the financial standpoint the argument is that they must have sufficient income to make reasonable return on the capital invested and from the industrial standpoint the argument is that they must be equipped to give efficient service.

WAR PROFITEERS MUST MAKE REFUNDS TO CUSTOMERS

The latest business development in the United States is that war profiteers must make refunds to all customers from whom they collected excess profits.

This new principle was announced after a recent meeting of the Federal Food Board and certain wholesale grocers in New York were ordered to place signs in their windows offering to take back all goods disposed of which were still in customers' possession. Three other wholesale grocers were ordered to notify all their customers overcharges would be refunded to them.

DEPUTY FOOD CONTROLLER

P. B. Tustin, of Winnipeg, Mentioned for Important Position

While official confirmation is not obtainable at the moment it is known that P. B. Tustin of Winnipeg, who was largely instrumental in the formulating of the proposed regulations governing the food distributing agencies, has been appointed a deputy to the Food Controller, and will have charge of the administration of the terms of the regulations with the assistance of a committee of three representatives of the manufacturing, wholesale and retail trade, who will form an advisory committee in each province.

Mr. Tustin is at present in Winnipeg. He will be returning to Ottawa within a few days, and it is then expected that his appointment will be gazetted; and at the same time an order in council will be passed making the proposed regulations operative.

BAN GOING ON AGAINST OUTSIDE SECURITIES

New Order Expected Shortly Prohibiting Their Purchase by Canadians

CONSERVE MONEY FOR WAR

Between Last Week's Order Limiting New Domestic Issues and New Order Government Will Control Funds

Complete prohibition of the purchase by Canadians and importation into Canada of all outside securities may be expected shortly. Already, it is understood, the order-in-council putting this into effect has been drafted and it will only be a matter of days until it is promulgated. The effect of this order, coupled with the limitation of Canadian issues under the order of December 22, will be to force a very large proportion of the money seeking investment in this country into Dominion Government war bonds.

The adoption of this conservation policy is in accord with the government's intimation that it intends not only to conscript men but to conscript money. It is only fair that if men are to be forced to go to the front, those at home should be compelled to put their money where it will best serve the needs of the war. To carry out the provisions of both orders, a priority board will presumably be appointed.

While the main purpose of such an order will be to prevent further investments of large sums of Canadian money in such securities as Anglo-French bonds and while it is aimed principally at bond transactions, it would be invidious to make a distinction between bonds and stocks. If one is to be prohibited, then the other should also be banned, and if both are to be stopped, there should be some pressure brought to bear on the banks to have them transfer as large balances as they effectively can from the other side of the line. A tolerably brisk market in domestic stocks might then be created.

Victory Loan Support

Daily meetings of bond dealers. both in Montreal and Toronto, have been held this week, with a session of the National Association yesterday in Toronto, to devise plans for the support of the Victory Loan. The proposal is to retain the present selling organization and make a second canvas on a smaller scale so as to transfer the floating supply of bonds into the hands of permanent investors. Funds for this purpose will presumably be derived from the excess subscriptions of the large institutional investors.

U. S. WINTER WHEAT

Unfavorable Weather Prevents the Growth of Acreage Desired

WASHINGTON.—Commenting on winter wheat acreage, the Agriculture Department says that the acreage planted to winter wheat is estimated to be 42,170.000 acres, an increase of 4% over the area planted a year ago. In the campaign to produce a billion bushels of wheat next year to help feed our allies an acreage of 47,337,000 in winter wheat was advocated.

HIGHER RATES PAY BARE HALF OF ROADS' BILLS

Tardy Measure of Justice to Railroads Insufficient From the Start

COMING BACK FOR MORE

Says Vice-President of Grand Trunk—Figures Reveal Inadequacy of Relief, But Will be Considerable Help

A partial measure of justice, but deferred so long that when it goes into effect the roads probably will be compelled to file a supplementary application for further relief, may be said to sum up the situation covering the Railway Commission's decision in the case of the "15 per cent. increase." Had the board brought down its judgment granting a substantial advance in rates six months ago the roads would have been enabled to ward off most of the heavy cuts in their net earnings, and have been in a much stronger position to meet the recent heavy advances in wages as well as in other operating expenses, much of which was not contemplated when the application came before the board last April.

In so far as it goes the board has accepted the railroads' statement of their needs and claims as entirely warranted, and establishes two points for which THE FINANCIAL POST has contended for months past: "The increase in the cost of operation is due chiefly to wage increases, and the present prices of coal, steel material and railway supplies, and these increases are not due to any fault of the railways; and

"No greater profits will be obtained by the railways under the new rate schedule than in the past; the increased rates allowed will certainly not equal the increase in costs to which the railways are subject."

In this last admission lies the inadequacy and injustice of the board's award: it is only a half measure of justice, and as a remedy cannot be regarded as more than temporary.

Any estimate of the actual increases in revenue that will be available is impossible until a vast amount of figuring has been done owing to the variety of new charges that have been announced: coal, grain, lumber, sand, etc. All the variations made from the general blanket rate of 15 per cent. work out at a lower rate.

The net position, as set forth for THE FINANCIAL POST by J. E. Dalrymple, vice-president of the Grand Trunk, who has been most closely connected for that road with the inquiry, works out as follows:

Not in Effect for 40 Days

"The new rates cannot come into effect for at least 30 or 40 days, even if a brief summary of the changes is permitted to be filed for the board's approval. If the freight rate schedules have to be reprinted first, three months would be involved.

It is probable that the roads, after allowing the rates to become operative for a few weeks, will file another application for an increase, as the situation to-day, even after creating the estimated additional revenue produced by the decision of the board, is probably even worse than at the time when we first made our application to the board last April. . . . I do not see how we can do otherwise than go back to the board."

Government Control Not Needed

The condition of the roads in Canada does not, however, warrant Government control on a similar basis to that announced by President Wilson for the United States. Mr. Dalrymple outlined some of the differences thus:

"The situation is entirely different over there. First of all there are dozens and dozens of roads and they have far more troubles than we have. We have been at it here for over three years, and have worked out the various situations in relation to the Government, the Munitions Board, and overseas shipments, while our Railway War Board has secured co-operation. The result is that things are moving fairly freely here; while there is a little congestion, there is no con-

Continued on page 7.

CORDAGE ON THE COAST

New Enterprise Being Organized at Victoria

Special to The Financial Post.

VANCOUVER.—A company which will probably be known as the Pacific Coast Cordage Company will be incorporated in Victoria in the first two weeks in the new year, according to Judge W. T. Bard of Seattle who is the moving spirit behind the enterprise. The judge has associated with him J. S. Wynton, also of Seattle, much of the necessary capital for the enterprise having been raised in Vancouver where the plant will be established. The company will be incorporated with a capital of a million dollars, half of which will be spent on the first unit. The raw material will be shipped direct from Manilla which will be of considerable benefit to shipping circles in Vancouver.

GOVERNMENT TO MAKE GOOD THE HALIFAX LOSSES

On Ground That Disaster Was an Act of War and Nation Responsible

DIFFICULT ADJUSTMENTS

Fire Insurance Companies Find it Hard to Estimate What Damage Was Done by Fire and What by Explosion

There is every likelihood that the Dominion Government will assume the payment of losses incurred as a result of the explosion on the munition ship Mont Blanc in Halifax harbor and that both the British and United States governments will contribute a share of the money required to make restitution to those who lost their property in the disaster. Representations to this end have been made to the government by the fire insurance companies and members of the government have gone to Halifax for the purpose of studying the situation on the ground.

It is pointed out that the catastrophe was virtually an incident of the war and that therefore the whole nation is in a sense responsible for the damage that was done. The explosives were being conveyed to the battle front and, though at the time thousands of miles from the actual seat of conflict, were as much in use for war purposes as if they were behind the guns in France. On this ground there is every reason why the nation should meet the losses.

The special board of adjusters appointed by the insurance companies have been busily at work since the explosion occurred and are now near the end of their labors. Their task has been no light one. Destruction by fire in most cases followed damage by the explosion and it has been no easy matter to determine just how much of the loss is attributable to the one and how much to the other. Should the government decide that it cannot meet the losses, the insurance companies will, of course, do their part and, so far as preliminary estimates can be made, no company concerned will be embarrassed by the payments which it will be required to make. At the same time it will be apparent that a sufferer from the disaster will be more equitably compensated if the government steps in and covers his entire loss than if the insurance company merely pays the small proportion of the loss covered by the insurance policy.

Life insurance companies, on the other hand, are making no effort to avoid liability. In the case of pre-war policies, there can be no question that the companies are liable. Even in the case of policies since issued and containing special war clauses, the broadest interpretation of the latter would scarcely cover death losses to civilians resulting from the explosion. As a matter of fact, with the possible exception of three or four companies writing industrial insurance, life companies have not been heavily hit by the disaster. They will simply demand the customary proof of death and settle with the beneficiaries.

WEST CALLING FOR HORSEPOWER TO GROW CROPS

U. S. Winter Wheat Condition Lowest in Years

BRITISH HORSE PRICES UP

Rye Crops Larger in U.S.—Western Fall Wheat Outlook Good—Ontario Crop Has Poor Top—Action Urged

By F. M. CHAPMAN,
Editor, "The Farmer's Magazine."

No stronger evidence could be advanced for the spirit of increased production in Western Canada than the strong demand for draft horses. The feature of recent weeks has been the rising prices and strong demand for anything in the leading draft breeds, Clydesdale, Percheron and Belgian. Car load orders for early spring delivery have been placed with many Western dealers and breeders. The limited numbers of European horses available has accentuated the situation while the demands of the American army have caused many of the big Western farms to look anxiously for horse power for the increased acreages possible in spring wheat and coarse grains. Prices for fillies, geldings and brood mares as well as stallions are higher now than for many years. The Lanark horse sales in Scotland, the great animal British draft horses dispersion, showed an increase in all the classes at the sale of practically 50 per cent. over 1916 prices. The tractor invasion of farm power problems has not apparently seriously affected horsebreeding. Horses will be needed for all time and all other mechanical power that it is possible to get.

In other livestock the situation is almost as bright. Sheep are in keen demand, especially by farmers for flock purposes. Beef cattle are enjoying a boom in prices. Dairy stock perhaps, shows a tendency to advance more slowly than the beef breeds. High producing cows sell with a wider margin than ever over the average milch cow.

Winter wheat averages in Canada for 1918 appear to be 711,112 acres, a 4 per cent. decrease over the last year's sown acreages. As Ontario's crop got a poor start, the abandoned areas will likely be large this spring. Although the condition for all Canada is 80 per cent. as compared with 76 per cent. last year, the Western crops made up for Ontario deficiencies.

Winter wheat sown in the United States aggregates 42,170,000 acres, the largest on record, and its condition December 1 was 79.3 per cent. of normal, the lowest known, the Department of Agriculture has announced. This represents a crop of only 540,000,000 bushels.

The area sown to rye is 6,119,000 acres, which is 36.6 per cent. more than sown a year ago, and the condition of the crop December 1 was 84.1 per cent. of a normal.

Increased spring crops will have to be sown if Canada is to keep up her normal production. Anent the situation the *Farmers' Magazine* says in its January issue out this week:

"Cereal production must be increased. We must double our wheat acreage if possible. To this end fertilizers in the East, labor and machinery in the West, are the essentials. Seed grain should be purchased from a central seed depot in each province so that no man, poor or rich, should be prevented from liberal sowings by reason of lack of seed. Let payment be in kind, bushel for bushel next harvest sent to the same depot. And then barley, oats, potatoes and other coarser foodstuffs must be continued to the limit. If every farmer will produce a little more than his faith at present warrants, and if every assistance is given by the government, there ought to be a big increase in Canada's acreages and an output that will all be taken up greedily by a hungry world.

"Never was there such a need, never such a duty for farmers to produce, and never such a chance to get good returns. Imperative action along definite lines to increase efficiency is needed now."

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THE STANDARD BANK OF CANADA

Quarterly Dividend Notice No. 109

NOTICE is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st of January, 1918, and that the same will be payable at the Head Office in this City, and at its branches, on and after FRIDAY, the 1st day of February, to Shareholders of record of the 23rd of January, 1918.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the 27th of February next, at 12 o'clock noon.

By Order of the Board,
C. H. EASSON,
General Manager.

Toronto, December 21st, 1917.

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Edward C. Pratt, General Manager

NEWS OF SECURITIES -- Market Still Sleeps

THE impetus given to railroad and other stocks on the American market as the result of the decision of the Government to take over the transportation systems for war-time operation and to guarantee returns to investors was not reflected on the Canadian exchanges. Nor was there any general evidence of favorable effect from the decision of the Railway Commission to allow the Canadian roads an increase in rates, although C.P.R. was stronger. The situation has continued without life and there has been nothing to indicate the probability of early improvement. The Wall Street advance, however, had a favorable effect on sentiment to the extent of indicating the soundness of the theory that securities at their present prices are below what may be regarded as their intrinsic value and that developments, either domestic or military, which will remove the present apprehension as to the future of business and earnings, will be favorably received by investors.

The peculiar situation which has arisen through contrary views with regard to the minimum price policy as between Montreal and Toronto continues. In Toronto stocks are being marked down to the extent of the dividends paid and in Montreal there is no change. Thus in several instances there is a spread between the official figures on the two exchanges. As time passes and earnings accumulate for the next dividend payment this spread will make itself felt, but it is likely that before the influence becomes an important factor there will be a readjustment as between the two markets.

Greenshields & Co., Montreal: Outwardly, conditions on the Canadian stock exchanges have shown but little improvement in the past month. But, while funds available for investment have been reserved almost exclusively for the purchase of Victory Bonds, a fair amount of cash buying for the better-known stocks has been proceeding at, or close to, the minimum prices. The weight of speculative stock resting on the minimum level has been lessened and the process of transfer of such stock to investors' hands is a necessary part of the righting of the market situation. Its effect would be readily evident if encouragement were offered by some recovery in security prices at New York and a freer supply of credit on the Canadian exchanges.

Hayden, Stone & Co., New York.—Amid many discouragements, there are one or two encouraging thoughts. For one thing, the money that many corporations are receiving on account of government purchases is enabling them to retire a good portion of their indebtedness at a heavy discount. This is a distinct economic gain. Then it is to be remembered that up to this time the country has been engaged entirely on the work of war plant construction. Production from this plant is just beginning. From now on, the finished product will be turned out in larger and larger quantities. This means a freer movement of commodities; a more rapid circulation of funds. We shall, in short, now begin to realize on our investment.

Henry Clewes & Co., New York.—Whether the market has touched bottom or not it is impossible to say, though many high grade securities are selling far below intrinsic values and have fully discounted existing circumstances. Now that winter has settled down no great decisive movements are to be anticipated at the seat of war in France, at least for a couple of months. Meanwhile both sides will prepare for a vigorous spring campaign, in which American troops will undoubtedly play an important and decisive part. For a long time to come war will dominate the security markets.

J. S. Bache & Co., New York.—It is the liquidation in high-class stocks which has had most influence in depressing prices in the last few weeks. The decision to sell such stocks has been brought about by various causes, but one of them which does not indicate any adverse conclusion as to the stocks themselves or their future has come from estates necessitated to provide cash for inheritance and other taxes, and who have sold these high grade stocks for this purpose. The question arises—Why sell such choice stocks as Union Pacific, Pennsylvania, Chicago & Northwestern, Northern Pacific, etc., etc.? Why not bonds or other less desirable holdings? The answer is that in large amounts there has been no market which could be relied upon for any but the highest class of stocks; no market on which attempts to sell any of these other holdings in round amounts would not result in the dropping out of the bottom.

STEEL

Market Very Quiet During Holiday Season With No Important Price Changes

By P. BAIN, M.E.,
Editor Canadian Machinery.

Trading in steel securities reached a low ebb this week, there being practically no demand at all. In ordinary times the market is usually quiet at Christmas but the dullness has been aggravated by the abnormal conditions prevailing in the financial world. The minimum prices have undoubtedly supported the market and prevented declines in prices which would have taken place otherwise. Owing to prevailing conditions there has been a lack of activity and fluctuations have consequently been narrow. In view of the war situation there seems little reason to look for much change in market conditions for some time to come as operations in the war zones are restricted in the winter time. The money market will be tight owing to the obvious necessity of providing funds for financing war orders. The mills, however, are as busy as ever and prices of steel stocks now are no indication of the prosperity in the iron and steel trade.

There is little or no change in the steel situation as reported last week. The volume of business has been falling off for some time due to the increasing difficulty that is being experienced in obtaining supplies of steel for ordinary commercial purposes. The necessity of providing firms engaged upon war work has made it very difficult for many steel consuming industries to obtain supplies. These concerns are running along on short allowance and of necessity restricting the output of their finished products while some have retired wholly or in part from the outside market and undertaken to manufacture to government requirements. It is within the range of possibility that many of the so-called non-essential industries may have their operations still further restricted owing to the government requirements.

There have been frequent complaints heard of late as to the difficulties of Canadian manufacturers in securing supplies of iron and steel from the United States but there is no reason to believe that manufacturers in this country are being discriminated against in the working out of American priority plans, by which war materials are diverted to industries with government orders on hand. This diversion has naturally dislocated the ordinary course of export business to Canada, as it has dislocated the ordinary course of domestic business in the United States. But as the plans are worked out it can reasonably be expected that Canadian manufacturers, with war orders on hand, will be treated on much the same footing as American manufacturers. The private consumers in the States are suffering from a shortage of steel and therefore Canadian concerns have to accept the situation as it is. There have been no further developments at Washington in regard to the revision of prices. While it is possible that prices may be revised on a downward scale, it is more likely than not that the present price schedules will be left undisturbed.

Conditions in the pig iron market are unchanged from last week. Production in the States continues to decline on account of shortage of coke due to transportation difficulties, more furnaces having been banked because of coke deficiencies. It is feared that the output of the furnaces will fall behind during the winter instead of increasing as was hoped.

	Close Dec. 20	Close Dec. 27	Change
Can. Car	18½	18½	...
Do., pref.	49½	49½	...
Can. Loco., com..	58	58	...
Do., pref.	84½	84½	...
Gen. Elec.	99½	99½	...
Dom. Bridge ...	128	128	...
Dom. Iron, pref.	88	88	...
Dom. Steel	52½	52½	...
N.S. Steel, com..	66	66	...
N. Stl. Car, pref.	19	19	...
Stl. of Can., com.	49½	49½	...
Do., pref.	85	85¼	+ ¼
Russ'l Motr, com.	50	50	...

ALGOMA STEEL

The Algoma Steel Corporation has 30 new coke ovens under construction at Sault Ste. Marie and not 25 as was originally planned. These together with the 110 ovens now in operation, will bring the total up to 140 coke ovens. The company has recently completed its tenth open hearth steel furnace, thus increasing its capacity to 50,000 steel ingots a month.

STEEL COMPANY OF CANADA

The Steel Company of Canada closes its fiscal year on Monday next. In circles close to the concern it is believed that the financial results will be the best in the history of the company. Of course, there have been difficulties to be met relative to obtaining the necessary material to cope with orders, as well as the labor situation, all of which have tended to increase the cost of production. Increased business, however, has more than offset the latter. The company still has enough munition orders on its books to keep it busily employed for several months ahead, and in addition to this it is stated on authority that the Steel Company is receiving further orders for shell parts from the Imperial Munitions Board. The company's financial condition, both in the matter of cash and the excess of liquid assets over current liabilities, continues to show satisfactory improvement. The statement is repeated that the book value of the stock is around par. The stock has been stationary for some days, the common at 49½ and preferred at 85.

Steel Products

NATIONAL STEEL CAR

On Saturday ten shares of National Steel Car preferred changed hands at 19 which was a decline of one point from the previous close. There have been no transactions in this stock since then. The common is unchanged at 6.

FOUNDRIES & FORGINGS

The end of the financial year of the Canada Foundries & Forgings Co. is at hand, and it is stated in official quarters that the company has had another prosperous year. Superficially there is every evidence that this is the case. The company is still operating its Welland plants to capacity, and operation at this rate has been kept up throughout the year. It would not be surprising to those who have watched the progress of the company if the output of the present year turned out to be even larger than that of a year ago. Meantime the Delaney plant recently purchased by the company in Buffalo, N.Y., has been making a fine showing. It has received additional orders for ship forgings, and it is understood that the earnings have permitted the retirement already of $100,000 bonds, reducing the outstanding issue of $130,000.

DOMINION BRIDGE

The acquisition of the International Engineering Works at Amherst, N.S., by the Dominion Bridge Co. will provide the latter with a direct opportunity of developing their new marine branch. The Amherst plant has been long established and in addition to routine business has large contracts on hand for marine engines for the Imperial Munitions Board and also shell orders. The somewhat disappointing nature of the Dominion Bridge statement was foreshadowed to some extent by developments earlier in the year. The reduction in profits early in the year and then the elimination of the large quarterly bonus paid in 1915-16 naturally implied a decrease in profits which has since proved to be due very largely to unremunerative contracts for shells and other munition work. To offset this the company has other shell contracts on hand which will likely be more profitable than those referred to in the report. A good price was obtained for the 75 mm. shell contract which although it expires in April will likely be renewed. Profits from the Quebec Bridge which would have furnished more than an offset for the decrease in profits in the munitions business were not included in the statement. On the acceptance of the bridge by the Government a distribution of profits will likely be made and the company will then receive about $1,500,000 as its share of the profits accumulated in the seven years the work has been in progress, and will also benefit by the return of a good portion of the cash capital invested in the work. President Johnson intimated that there is some doubt as to whether the present 10 per cent. dividend of the company will be maintained because of the increased cost of production, payments for munition work being in part deferred and new legislation as regards business profits taxation being expected.

MILLING

Board of Grain Supervisors May Again Reduce the Profits of the Manufacturers of Flour

By J. L. RUTLEDGE,
Editor Canadian Grocer.

Business in all milling lines continues to be of a very satisfactory nature. All mills are working at their capacity, and the local demand is still very strong as a result of the long period of uncertainty that prevailed some little time ago. Export demand too has shown a considerable increase. It was expected that early in the year or at the end of December some action would be taken regarding the setting of a price on flour, as yet however there is no indication of any such action being likely.

There is a probability that the Board of Grain Supervisors will be permitted to levy an additional tax of 3½ cents a bushel to take care of increased costs in regard to supervision of costs, and elevator and insurance charges.

If this is the case there will be still another inroad on the profits of the milling companies. There has been some feeling of late that the 25 cents a barrel profit is hardly a sufficient margin. All operating charges are increasing, to wit, this minor charge of an increase in the capital required to buy the raw material, this has made many millers feel, that while they are in accord with the spirit of the regulation and are willing to do their share to help in meeting the abnormal conditions, that some more flexible system might be evolved, that would be materially to their advantage without involving any difference to the public.

The holiday season evidently had an effect on the trading in the securities of the milling companies, as there was an almost unanimous lack of trading noted.

LAKE OF THE WOODS

The mills of the Lake of the Woods Milling Company continue to work to capacity to keep pace with the demands for flour and mill feeds, which are considerably above normal so far as this company is concerned. This was explained to THE FINANCIAL POST, by an official, as due mainly to the fact that with the export buying going on so heavily through the Wheat Export Co. many of the mills were not going after the domestic business, and much of this was being turned over to the better known of the larger mills. The result was that the Lake of the Woods has been receiving orders, for local and export, that has kept the mills busy for months. In spite of certain "threats" of the export buying commission that the margin of profit would be almost wiped out on flour, a fair profit basis has been maintained, and this has encouraged some of the mills to go after this more than after the domestic, which is now regulated as to profits.

Conscription has not affected Lake of the Woods mills much, as most of the available staff had gone already under the voluntary system, over 200 in all, and the management urged the retention of only a couple under the M.S.A.

Trading was again very light in the stocks of the company, but despite the lack of interest the few transactions recorded showed a good feeling maintaining the 120½ figure of the past week. The preferred showed no activity.

OGILVIE MILLING

An official of the Ogilvie Flour Mills Co. told THE FINANCIAL POST that no intimation had been received from the Food Controller as to whether any step would be taken to change the present grades of flour, but the impression was that conditions would be left as they were. This would be a more favorable position for the flour mills than a change that might wipe out their special grades, and place all on a similar basis. Domestic orders keep up for Ogilvie mills as they have been doing for the past couple of months or so.

There has been no activity in either the common or preferred stocks of the company.

MAPLE LEAF

Mr. Carrick of the Maple Leaf Milling states that the business of the company is of a very satisfactory order with their mills running at full capacity. The bulk of this business being on government contracts they have not been faced with the difficulties of embargoes and transportation difficulties that have faced some of the other companies. Their products have been going through without a hitch.

Hedley Shaw, the manager of the company who has been laid up for some little time, has left for Florida for a month or two of rest and recuperation. Trading in the stocks of the company were practically negligible during the past week. There were no sales in the common and the small selling in the preferred was made at 92.

WESTERN CANADA FLOUR

J. E. MacFarlane, manager of the company, states that while the conditions in Halifax are decidedly improved, it has been impossible as yet to discover the extent of the loss sustained by the company in the destruction of their storage warehouses there. They are working to that end, but it will probably be some time before this can be finally discovered.

Business of the company, Mr. MacFarlane states, is very satisfactory. Difficulty of obtaining cars and the embargoes existing on the railways and the eastern shipping points are causing a great deal of inconvenience but despite these facts the business continues to be of a satisfactory nature.

TEXTILES

A Little More Movement of Securities—Heavy Demand For Woolen Lines.

By H. H. BLACK.

The deadness in the movement of textile securities last week was slightly relieved during the present week, although the actual number of sales was very limited. The prices remained at the minimum level, which, however, is not a relative criterion, as so often it acts as a maximum or minimum combined. Even the new investor who is impressed favorably with a stock is unwilling usually to offer any advance on the minimum, and would prefer even to wait until same is offering at the low figure.

Early returns both from woolen knit goods and worsted lines for fall 1918 confirm the opinion expressed here already that the trade have decided definitely that it would be foolish to procrastinate in buying woolen goods, and are disposed to cover themselves fairly thoroughly by advanced orders.

The raw cotton market continues to fluctuate but only slightly, and maintains its firm position standing at a little over 31 cents for spot this week, or over 14 cents above the price one year ago. With the market in this position the textile mills are forced to make prices specially for all new orders, and are likely to do so for weeks to come. All reports from the United States agree that the government is virtually taking control more and more of the capacity of the cotton and woolen mills and turning this into war orders. Thus the Canadian trade will be compelled to buy far more than usual from domestic mills.

	Close Dec. 20	Close Dec. 27	Change
Can. Cot., com..	48½	48½	...
Do., pref.	76	76	...
Dom. Tex., com..	80¾	80¾	...
Do., pref.	100	100	...
Mon. Knit., com.	30	30	...
Mont. Cot., pref.	100	100	...
Penmans, com. .	65	65	...
Do., pref.	81¾	81¾	...

CANADIAN CONVERTERS

Orders for next fall's delivery have been coming in very satisfactorily to Canadian Converters, according to a report of an officer to THE FINANCIAL POST. This applies especially to woolen goods and cotton imitations of wool, in which lines the trade do not seem to be stocked up as much as in cottons, and seem prepared to buy more heavily. The travelers of Canadian Converters are finding that the trade are now convinced that there cannot be any price reductions on woolens at least next year, and that in the possibility and probability of higher prices and poor deliveries early buying in fairly large quantities is advisable.

The year starting May 1 thus should turn out even better for this company than last, it was. It is known that the aggregate for the first six months exceeds that of 1916, and the second half is beginning well.

A few shares of common were disposed of this week at 80¾, the fixed price.

DOMINION TEXTILE

The serious injuries that were received by many of the employes of the Dominion Textile Co. in their Halifax plant, or by the families of the employes, has hindered the carrying out of the plans of the company to urge a number to come up to work in one or other of the other mills of the company. The superintendent will go down to Halifax for this purpos

There has been some talk of Dominion Textile starting their proposed new mill at St. Lambert, which will cost over $2,500,000, and completing it earlier than was intended so as to replace the Halifax mill.

When asked about this by THE FINANCIAL POST, the general manager, F. G. Daniels, stated that the report was incorrect. "We will erect a weave shed during the coming summer, and the main units only as wanted," he declared. The heavy additional cost of construction influenced the company in its decision not to build at present, and to this decision it will adhere. According to the terms of the agreement with the Town of St. Lambert, construction work need not commence until two years after peace has been settled. Apart altogether from the aspect of additional costs, the company found that it would be impossible to secure the machinery at the present time, as most must be imported from England.

MONTREAL COTTONS

The experiments on the temporary equipment that is being tried out at the Valleyfield mill of Montreal Cottons are working out rather better than was anticipated, and it is now expected that the most of the employes that had to be laid off as a result of the fire a couple of weeks ago will be working again within that time. The production of the mill thus will not be interfered with seriously. The company has completed the taking of advance orders for spring lines, and the demand is reported to have been "very good." Montreal Cottons is fortunate in having shifted over on a number of lines since the war began, so that it might take advantage of external conditions.

CANADIAN COTTONS

The first sale in Canadian Cottons for several weeks took place this week, when a single share of preferred went at 76, the minimum figure.

MONTREAL COTTONS

A statement received by THE FINANCIAL POST from J. Lowe, jr., general manager and secretary-treasurer of Montreal Cottons, reads as follows: "As to the fire—we have not yet made up how great the loss is, and would not care to hazard a guess. We have put part of our mills running day and night shifts, and are adding to our power plant every day, and hope to keep all our employees at work. The plant is well "covered" by insurance against fire, including use and occupancy.

There were no sales of the stock this week.

MINING STOCKS

Decided Improvement in the Mining Market, With Advances General Throughout the List

Much more activity was noticeable in the mining market after the Christmas holidays. On Wednesday sales passed well beyond the 100,000-share mark, and on Thursday they were in excess of 200,000 shares. Including transactions last Friday and Saturday, the daily average for the week was 124,165 shares, a point which has not been reached for many weeks. The following table illustrates how business has been expanding:

	Transactions in shares	Bar Silver, Per oz.
Friday, Dec. 21.....	78,694	86⅝c
Saturday, Dec. 22...	70,250	86⅝c
Wednesday, Dec. 26.	133,045	86⅝c
Thursday, Dec. 27..	214,670	86⅝c

Prices of mining shares have very generally improved, and for the week, taken as a whole, there has been a marked gain. The most important advance was registered in Dome Mines, which gained over two dollars a share, but there were also substantial advances in other stocks. The net gains for the week were as follows:

	Close, Dec. 20	Close, Dec. 27	Change
Adanac	.10	.12	+.02
Beaver	.27	.25	—.02
Dome	6.80	8.00	+1.20
Dome Ex.	.09½	.10¾	+.01¼
Hargraves	.08¾	.10¼	+.01½
Hollinger	4.95	5.00	+.05
McIntyre	1.37	1.40	+.03
Nipissing	8.35	8.75	+.40
Vipond	.20	.17½	—.02½
Timiskaming ..	.27½	.28	+.00½
Newray	.40½	.44¼	+.03¾
West Dome....	.12½	.13½	+.01

Last week ore shipments from the Cobalt camp aggregated 474,078 pounds. Four companies shipped six cars containing the following weights:

Shipper.	Cars	Pounds
Coniagas	2	154,295
Dom. Reduction	2	149,500
La Rose	1	85,173
McKinley-Darragh	1	85,110
Totals	6	474,078

During the week the Nipissing sent out three shipments of bullion, with an aggregate weight of 151,054.86 fine ounces. The Mining Corporation was also a heavy shipper, sending out 75,307.22 fine ounces. The following is a summary:

Shipper	Bars	Ounces	Value
Nipissing ..	114	151,054.86	$135,319.28
Min. Corp...	75	75,307.22	64,387.60

The total bullion shipped from the Mining Corporation of Canada during the year 1917 now aggregates 4,051,966.87, which exceeds by a considerable margin all preceding records of any silver mining company in the Dominion.

In November the amount of ore shipped from Cobalt was 4,067,941 pounds, or about 2,000,000 pounds less than in the previous two months. Buffalo Mines were the largest shippers, sending out 18 cars, containing 1,456 250 pounds of ore, or more than one-third of the total for the camp. Mining Corporation took second place with 11 cars, containing 773,974 pounds of ore.

That the price to be fixed by the United States Government for silver, following negotiations between the Government and Western silver interests, will be between 94 and 97 cents is forecast this week. It will be recalled that when the arrangements were entered into between the United States Government and British representatives to acquire 100,000,000 ounces of next year's smelting output between them, the price was tentatively fixed at 86 cents. The Western mining interests raised a strong opposition to this, contending that the price should be at or near $1 an ounce. Under the arrangements between the two Governments England is to take 60,000,000 ounces and the United States 40,000,000 ounces.

DAVIDSON

Davidson will shortly enter the ranks of the producing mines at Porcupine. It is expected that the installation of the mill will be effected during the coming month and that active milling will be going on before the first of February.

McINTYRE

McIntyre-Porcupine directors last Friday declared another 5 per cent. dividend, the fourth for the year. While every other gold mine in Ontario has had to suspend dividend payments, McIntyre has kept up its record and will have as well a substantial surplus to the good. With production being maintained at the rate of nearly $150,000 per month, with net profits between $80,000 and $90,000 per month and with ore reserves increasing steadily, the position of the company is exceedingly good.

DOME MINES

Dome's jump to 9.25 on Wednesday was one of the week's sensations. At this price it was 2.45 above the close last week. The movement was one of those periodical happenings on the stock market which are difficult of explanation. The probable reason for the rise was the covering of a short interest in New York, some buyer coming into the market for stock when the available supply was limited. So far as any news from the mine to justify the advance is concerned, there was nothing of the kind in evidence. On Thursday the stock sold down to 8.00.

WEST DOME CONSOLIDATED

It is reported on good authority that arrangements have been concluded with the Dome Lake Mining Company by the West Dome Consolidated for the use of one-half of their milling plant for the treatment of West Dome ore. This mill has a capacity of 200 tons per day and if the foregoing rumor proves correct, it will give West Dome a means of treating 600 tons per day. In order to put the mill on an efficient basis it was necessary to install some further machinery, and it was anticipated that this would be completed about the middle of this month. In the meantime two stopes have been opened up on the third level, and in the neighborhood of 900 tons of $17 ore has been broken down ready to be hoisted into the mill when it is in readiness. By running two shifts per day the management figure that they can keep ahead of the mill. If the grade of ore being stoped at the present time continues as rich as heretofore, with the mill treating 100 tons per day the gross production should be over $1,500 per day and the net not very far below $1,000 per day, or at the rate of $300.000 per year. In addition to the ore which is being broken down from the stopes there is a large dump which has been accumulating since development was started. It is estimated that there are approximately 6.000 tons of ore on the dump, which will average not less than $9 to the ton.

CONSOLIDATED SMELTERS

The Trail smelter is again operating and several hundred men have returned to work. By the end of the year the blast furnaces will be running as usual. A number of mines which are controlled by the Consolidated Company are also making arrangements to re-open, while these mines which were shipping their zinc ores to the South will now have an outlet closer home.

Writing about the strike two weeks ago, the British Columbia *Financial Times* made the following rather pessimistic comment on the outlook:

"It would appear on the face of it that the only real cause of the strike is due to the large supplies of ready cash in the hands of the workers at the smelter, and at this writing it would appear that the strike will continue until hunger and want make their appearance in Trail. Efforts of fair-wage commissioners and International Union Officials and so forth are unavailing. The smelter workers at Trail have not the backing of the International Union, but rather act in defiance of it. No solution appears to be in sight. Meanwhile the growing mining industry of the entire southern interior is tied up, both in production and development, except in the case of a few mines that are capable of treating their own ore.

"While British Columbia should be advancing in its mineral production, it will this year show a very serious decline from the total for 1916, and may possibly not exceed a total of $37,000.000. As the price of labor increases, labor becomes more inefficient and has a greater tendency to strike for yet larger increases. What is in the future cannot be forecast, but one thing seems reasonable to expect, that the future will show a tendency to accentuate the present conditions. So long as the war lasts any improvement in labor conditions cannot possibly be expected."

PULP AND PAPER

An Absolutely Featureless Week So Far As Trading in Pulp and Paper Securities is Concerned.

By W. A. CRAICK.

Except for a couple of sales of North American pulp stock, trading in the securities of this group has been nil during the week just closed. There appears to be absolutely no demand for these stocks at the present minimums. Merely as a matter of record, therefore, the quotations for the week are included:—

	Close, Dec. 20	Close, Dec. 27	Change
Laurentide	152	152	..
Riordon	117¼	117¼	..
Spanish, com....	13	13	..
Wayagamack ...	50	50	..
Brompton	39¼	39¼	..
N. A. Pulp	2½	2½	..
Price Bros.	120	120	..
Paper Securities	-ardlu	hrdl	m mm

It has been an off-week both in the paper trade and in the field of paper manufacturing inquiries. The Federal Trade Commission's first sitting in the newsprint investigation in the United States is scheduled for January 7, while Commissioner Pringle starts his book paper probe in this country on January 8 at Ottawa. In the meantime the situation is featureless.

Writing on the "Outlook of the Paper Industry," Greenshields & Co., Montreal, state that the recent agreement between publishers and manufacturers in the United States, by which the price of newsprint is fixed at 3 cents a pound, is satisfactory to the pulp and paper industry of Canada. Continuing, Greenshields & Co. say:—

"In view of the admission at the Canadian inquiry that the manufacturers had established a sound case in their argument for a 3-cents-a-pound basis, the present position is not likely to be disturbed by the new investigation. If it is finally established as the price for the duration of the war, we believe that the Canadian pulp and paper industry will have before it a long period of satisfactory prosperity.

"The many uncertainties of the past year as to what would be the effect of Government interference have checked the normal growth of the newsprint industry. A few new paper machines have been installed in existing plants in Canada. But no new enterprises have been started and the actual increase in Canadian production has been nominal. With an unrestricted market, quite another situation might have been created. High prices inevitably have overproduction as a natural sequel. It is important from the manufacturers' standpoint that, disturbing as has been the policy of Government regulation, the danger of over-production has been avoided in the past year and is minimized for the immediate future.

"At 3 cents a pound, established companies will enjoy satisfactory profits; but under existing conditions, with labor and construction costs likely to continue high for a long period, the incentive to new enterprise is lacking.

"Many months ago we ventured the opinion that the publishers' policy in invoking Government interference with the law of supply and demand was short-sighted. We believe that opinion is justified by the present situation. With an unrestricted market, the price of newsprint would have gone much higher for a short time. That would have stimulated the building of new mills and brought about a condition of over-production which would have been as favorable to the publishers as unfavorable to the mills."

RIORDON

In spite of negotiations that have been going on for some weeks past looking to a settlement of the dispute as to the price of book paper, the Riordon Pulp & Paper Co. has received instructions that the inquiry will be resumed in Ottawa on Jan. 8 and 9. Hopes are still entertained, THE FINANCIAL POST was informed, of some arrangement being reached before that date, and thus rendering an inquiry unnecessary.

INTERNATIONAL PAPER

Frederick E. Hastings, suing for himself and on behalf of other stockholders similarly situated, through his attorneys, Jacobson & Pollock, has filed an amended complaint in his action against the International Paper Co. and the directors of the company. He also asks for an injunction restraining the company from using, taking or paying any of the surplus net profits or earnings of the corporation towards paying off, refunding or retiring any of its outstanding bonds maturing 1918, 1919 and 1935. He alleges that there is about $450,000 due the stockholders who have not yet assented to the plan of meeting accumulated dividends, and says that the net quick assets are sufficient as to enable the company to pay this sum without embarrassment. He also says in his complaint, quoting the directors of the paper company, that net quick assets of the company on December 31, 1916, were $14,545,135. He estimates the company's net earnings for the year up to October 1, 1917, as being upward of $2,500,000.

Stetson, Jennings & Russell, answering the complaint, admit the net quick assets and declare that it will take at least $711,000 to pay the non-assenting shareholders. As a reason for not paying this they represent that the company will have to use over $7,000,000 of the present surplus for the retirement of the outstanding bond issues of 1918, 1919 and 1935.

TRANSPORTATION

Relief Finally Granted the Railways as Regards Rates—Advance Offset by Costs

The long-deferred decision of the Railway Commission with regard to the application of the Canadian railroads for an advance of 15 per cent. in freight and passenger rates has finally been given. It means that practically everything which has been asked by the railroads has been granted. However, so long has the decision been deferred and such have been the advances in the cost of fuel, labor and practically all supplies that, coming at this time, they find that the obvious advantages have been offset by increased expenditures.

The decision of the commission finds general approval by the business interests in the best position to judge of the requirements of the roads, and it is now considered that it will not be necessary to take any such broad action as has been done in the United States unless the war strain becomes such that the present organization is faced with difficulties which cannot be overcome in the ordinary way.

It is estimated that the increase will mean an advance in income to the Canadian systems of $40,000,000 to $50,000,000, of which about half will go to the C. P. R. and the remainder will be divided between the other systems. However, as has been previously pointed out, it is the contention of the railroad managements that this does not cover the increased cost of fuel alone under war conditions. A statement by Vice-President Dalrymple, of the Grand Trunk, in connection with the situation, is printed in this issue.

Generally speaking, the advantage from the financial standpoint to Canadian transportation will not be so much the increased profits themselves, but the evidence that the Government is showing some sympathy with the interests of the investors, and is not inclined to follow the radical advice of socialistic elements that the rates should be kept down and the investors forced to shoulder the losses incurred in continuing to the people a service for which they have not been paying in full. The benefit to the country in general will be in insuring that transportation service will be maintained on a basis which will play its part in the great war-time productive activities.

The Canadian Railway War Board calculates that in the measures taken for the elimination of passenger trains there will be a saving of 100,000 tons of coal. This is an example of the increased efficiency resulting from co-operative control which in Canada is evidently proving more successful than in the United States owing to the fact that it is easier to bring the interests of three roads closer together than where there are so many on a closely competitive basis.

Week Ending Dec. 21

	1917	1916	Change	%
CPR	$3,051,000	$2,979,000	+$ 72,000	2.4
CNR	738,300	805,700	— 67,400	8.3
GTR	1,355,105	1,164,962	+ 190,143	16.3
	$5,144,405	$4,949,662	+$194,743	3.9

CANADIAN PACIFIC

Gross earnings of the Canadian Pacific Railway for the third week in December amounted to $3,051,000 compared with $2,979,000 for the corresponding period in 1916 and $2,908,000 for the previous week. The gain over the figures for 1916 is $72,000 or 2.4 per cent. For the three weeks of December the figures are as follows:—

	1917	1916	Change	%
Dec. 7..	$3.289.000	$3.139.000	+ $150.000	4.7
Dec. 14..	2.908.000	3.106.000	— 198.000	6.4
Dec. 21..	3.051.000	2.979.000	+ 72.000	2.4

Canadian Pacific stock showed considerable improvement on the announcement of the permission of the Railway Commission to increase rates. However, whether this was altogether due to this cause or whether C.P.R. was sympathetically influenced by the rise in the American railroad stocks, on the announcement that the government would take over their operation, was not indicated. In New York the price moved up from 130 to 134⅝. On the Canadian exchanges the figure advanced to 134½ asked and 133½ bid, but there were no sales. The last previous sales in Canada were at 128¼ a week or so ago.

It is estimated that the advances to be made will mean from $20,000,000 to $25,000,000 additional income for the Canadian Pacific, but it is pointed out that this is represented in the higher cost of operation as the result of advances for coal, wages and practically all commodities entering into operation service.

CANADIAN NORTHERN

The Canadian Northern Railway reported gross earnings for the week ending December 21st totalling $738,300 which compares with $753,800 for the previous week and $805.700 for the corresponding period in 1916. As compared with the figures in 1916 there is a falling off of $67.400 or 8.3 per cent. Comparative figures follow:—

	1917	1916	Change	%
Dec. 7..	$ 916.000	$ 917.900	— $ 1,900	0.2
Dec. 14..	753.800	892.600	— 138.800	15.5
Dec. 21..	738,300	805,700	— 67,400	8.3

From July 1 to December 21, the earnings amounted to $20.991,700 against $20,762,300 in 1916, an increase of $229,400.

Total gross earnings of the Canadian Northern Railway Company for the month of November amounted to $4,050,200, an increase over the figures for November, 1916, of $327.900. Operating expenses totalled $3,295,500, an increase of $823,200, and net earnings amounting to $754,700 showed a falling off of $495,300. The aggregate gross earnings from July 1 to the end of November were $18,583,600, an increase of $437,500, while the aggregate net amounted to $2,269,800, a decrease of $2,202.500.

It is figured that the increased railroad rates to be allowed under the ruling of the Railway Commission on the application of the Canadian roads will mean about $4,000.000 additional income to the Canadian Northern system. However, it is being pointed out by D. B. Hanna that this will be easily wiped out by the higher costs of operation which the company is already paying.

GRAND TRUNK

For the third week in December the gross earnings of the Grand Trunk Railway System totalled $1.355,105 compared with $1.164.962 for the corresponding period in 1916, an increase of $190.143 or 16.3 per cent. As compared with the figures for the previous week there is a gain of $314.756. Following are comparative figures:—

	1917	1916	Change	%
Dec. 7..	$1.218.138	$1.151.306	+ $ 66.832	5.8
Dec. 14..	1.040.349	1.203.868	— 163.519	13.6
Dec. 21..	1.355.105	1.164.962	+ 190.143	16.3

The Grand Trunk Pacific Railway reports gross earnings for the first week in December amounting to £33.503 compared with £34.315 for the corresponding period in 1916, a decrease of £812, while from July 1 to December 7, the earnings totalled £674.999, an increase of £169.400.

While the Grand Trunk will of course directly benefit from the advances to be made in freight and passenger rates under the ruling of the Railway Commission and the position of the shareholders should thus be improved it must be remembered that this increase was long ago wiped out by the higher cost of operation.

Continued on page 4

THE CANADIAN BANK OF COMMERCE

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A General Banking and Foreign Exchange Business Transacted

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NEWS OF SECURITIES

Continued from page 3

At the inquiry it was stated that the increases being granted the roads would no more than compensate for the higher cost of fuel alone without taking into consideration wages and the higher prices for practically all commodities consumed by the carriers.

CANADA STEAMSHIPS

The active business of Canada Steamship Lines for the year is now ended, and the annual report will show large increases in earnings over last year. The freight business averaged higher prices than in 1916, and these so overbalance in volume passenger traffic, which was smaller, that the net result will show a large balance to the company's credit. The vessels that are under lease overseas will continue to contribute their quota to earnings until after the war is at an end, and several more boats, it is understood, were sent over at the close of navigation.

Just what the possibilities are in earnings for 1917 may be seen from a review of those of the past two years, and allowing a considerable advance for 1917:

	1916	1915
Total revenue	$12,122,128	$7,775,034
Expenses	8,062,583	6,042,977
Net earnings	$ 4,059,544	$1,732,057
Profit for year	2,391,027	662,152

PUBLIC UTILITIES

No Significant Developments Indicated in the Prevailing Quiet Market

There are no special features of the market for electric railway and other public utility securities which differ from the general situation. In fact, there has been so little movement in the market recently that it is difficult to note any particular trend. In any event there is no improvement, unless it could be that the action of the United States Government in taking over the railroads and showing a disposition to protect the interests of investors has had a cheering effect in the American department. It is just possible that this course would be a natural development in the event of the necessity for a further co-ordination of transportation services being regarded as desirable.

In connection with the Niagara power situation there are indications that better relations between Canada and the United States are very important at this particular time when efforts are being made to increase production on both sides of the line. In accordance with the new understanding, Washington announces that orders have been issued that no new war contracts will be placed in the Buffalo district before the War Industries Board certifies that there is sufficient power for their production. Formal assurance has been given Canadian authorities that approximately 100,000 horse-power imported from Canada will be used only for manufacturing purposes.

Plans are being worked out by the War Industries Board, some of which already have been put in effect in Buffalo, by which there will be a redistribution of available power so that industries regarded as of lesser importance to the war programme shall receive their power at times when it is not needed by concerns working directly on war orders. To some extent also the amount of power received by these industries of less importance, numbering about 110, will be curtailed, but it was made clear that this was being done in order that the whole city might benefit.

It is thus indicated that there may be an improvement in the situation, and that some reduction of the amount of power exported may be effected without the proposed drastic action of cutting off supplies in such a manner as would undoubtedly have brought retaliation with regard to Canada's coal supply from the United States.

DULUTH-SUPERIOR

The Duluth-Superior Traction Company reports gross earnings for the month of November amounting to $138,967 compared with $123,667 for the same month in 1916, an increase of $15,300. Operating expenses were higher by $13,106, while net earnings amounting to $48,452 were larger by $2,194. For the eleven months ending with November the gross earnings totalled $1,458,086, an increase of $189,745. Net earnings totalled $514,690, an increase of $52,777. Following are comparative figures for November and eleven months:—

November—	1917	1916	Change
Gross	$ 138,967	$ 123,667	+$ 15,300
Expenses	93,514	80,408	+ 13,106
Net	245,452	43,258	+ 2,194
11 Months—	1917	1916	Change
Gross	$1,458,086	$1,268,341	+$189,745
Expenses	943,895	816,428	+ 126,967
Net	514,690	451,913	+ 62,777

For the third week in December the gross earnings amounted to $36,033 against $32,409 for the corresponding period in 1916, an increase of $3,628 or 11.2 per cent., while for the first three weeks in December the earnings were $103,437, an increase of $11,269 or 12.2 per cent. For December the figures are as follows:—

December—	1917	1916	Inc.	%
1st week	$33,518	$29,738	$3,780	12.7
2nd week	33,885	30,019	3,865	12.9
3rd week	36,033	32,409	3,623	11.2

B. C. ELECTRIC

The jitney question which the B. C. Electric Railway has been fighting in the city of Vancouver since these vehicles of transportation first put in their appearance, has apparently been finally decided by the Vancouver city council which, in line with the recommendation contained in the report of Dr. Adam Shortt who made an investigation of the question during the summer, has ordered that the jitneys must disappear from the streets of the city after April 1 next. No announcement has as yet been made as to the attitude of the jitneymen on the action of the council but it is very probable that the authority of the city authorities will be questioned, and settled by the courts.

BARCELONA TRACTION

Sales of Barcelona Traction during the week were practically nil, the last being a turnover of 20 shares on Friday the 21st. The price in this transaction was 9, showing no change from the previous but fractionally lower than the recent best. Late quotations were 9¼ asked and 8¾ bid.

BRAZILIAN TRACTION

Brazilian Traction has, as usual, come in for a share of the trading although the number of sales has continued unusually small. Prices have continued at the minimum of 32.

TORONTO RAILWAY

With the approach of polling day and the voting on the by-law by which it will be decided whether the city will prepare to take over the Toronto Railway system on the expiration of the present franchise in 1921, there is very little interest being displayed in the matter. It is regarded as a foregone conclusion that the citizens will vote for municipal ownership but it may be another matter for the city to arrange for the necessary financing at the expiration of the franchise should it be that there is not a marked change in the financial situation in the interval. There have been no sales since last report. The official minimum in Toronto has been readjusted to 58 while that in Montreal remains at 60. However, there have as yet been no transactions under the latter figure.

TWIN CITY

The clearing of the air in connection with the Twin City strike does not appear to have had any favorable effect upon the stock exchange. Last sales at the week-end were at 62½, which compared with 63 and a little better during the previous week. In connection with the dispute the *Commercial West*, published at Minneapolis, says that much credit should be given to Governor Burnquist for the firmness and wisdom with which he handled the situation. It appears that mischief-working labor leaders have been at work as is often the case under such circumstances. However, the men themselves showed much better judgment than their leaders and refused to leave their work even prior to the orders from the Federal Labor Commission at Washington.

WINNIPEG RAILWAY

There have been no sales of Winnipeg Electric for some weeks. It is evident that the market for this stock is being protected by the minimum of 48. There has been little information of late to indicate how conditions are affecting the company's operations, but it is evident that the restriction of jitney traffic has not as yet had any material effect on earnings, or at least effect which has not been offset by changes in other directions.

Light and Power

SHAWINIGAN

Only about 50 shares of Shawinigan were traded in during the week, there being practically no improvement over the dead conditions of the previous week. All transactions were at the minimum of 107.

CONSUMERS' GAS

Although the last sales of Consumers' Gas—last week—were at 150½ and that price is now being asked, the minimum of 147 was reduced to the extent of 2½ points when the stock recently went ex-dividend. The official minimum is therefore now 144½ but the market value is considerably higher.

OTHER STOCKS

Holidays and General Quietness Present Little Indication of Trend of Events.

There has been nothing in the market for miscellaneous securities during the week to indicate that there has been any change in the general quietness which has prevailed for so long. In fact with the holiday and the dullness there have been no developments which give any indication of the trend of the influences at work. The minimums are offering protection in a great many instances and are evidently preventing further declines. In this connection the governors of the Toronto and Montreal exchanges have not as yet come together with regard to a policy in the event of dividend payments with the result that in Toronto reductions are being made and in Montreal they are not. If this difference of attitude continues until the next dividend payment there will be a spread between the quotations to the extent of the previous declaration.

AMES-HOLDEN-McCREADY

The orders being received by Ames-Holden-McCready, Limited, for next spring continue to exceed those of last year by a large margin, and the total business for the year 1917 will run far ahead of last year, and the profits will be in proportion. The domestic orders in sight make the company, THE FINANCIAL POST was informed, careless of any Government orders. A favorable factor in the situation is that the supply of leather is slightly improved, and the indications are that prices of footwear will not rush up to any considerable extent in the near future, so that this danger to demand is not a serious factor.

ASBESTOS CORPORATION

While the present year of the Asbestos Corporation will show a larger volume of business and larger profits than last year, the company is handicapped to some extent by troubles with labor and transportation, the latter of which of late has been bothering most manufacturers. In spite of these, however, THE FINANCIAL POST was informed that business was being carried on under "good normal conditions," in the main.

ATLANTIC SUGAR

There has been a slight easing up in the scarcity of raw and refined sugar so far as the Canadian refineries are concerned, and shipments of raws are coming into this country from the International Commission. The question of the future so far as the refineries are concerned is whether there will be an opportunity afforded to repeat the heavy business of last year, amounting to tens of thousands of tons for the Atlantic Sugar Refineries, through export to Great Britain. Speaking to THE FINANCIAL POST, Lorne McGibbon, the president, stated that he had hopes that the Commission would provide sufficient raws for the Canadian refineries to cover domestic requirements and export a considerable quantity in addition. If this was not permitted the record output of the past year might not be repeated. Much will depend on the final plans of one of the refineries that are still under consideration.

Mr. McGibbon has hopes that if the crop of raws turns out larger than was anticipated that the British regulations may encourage the consumption of more sugar than was permitted this year, on account of its food value, and that there would arise a strong demand on the Canadian refineries for all they could manufacture outside of domestic needs.

ACADIA SUGAR

All negotiations have been called off, THE FINANCIAL POST learns, for the purchase of the Acadia Sugar Refining Company by the Montreal capitalist who was interested. The directors have decided that it would be better to endeavor to reorganize the company, secure more capital if possible, and continue operations, with the idea that conditions that have been unfavorable for the company for the last two years or so will improve. The Halifax fire, while it did not destroy the active refining plant, but only the one that was being used as a warehouse, has naturally made conditions a little more difficult for the company.

B. C. BREWERIES

The holders of securities of British Columbia Breweries have cause for some concern over their position as a result of the enactment by Order-in-Council at the beginning of the week of a prohibitory law. Speaking to THE FINANCIAL POST, Lawrence Macfarlane, K.C., Montreal, one of the directors, stated that it was not known yet whether light lager and other lines would be affected by the legislation. The company had been forced by the prohibition law that went into effect in British Columbia in October to go into the manufacture of temperance ales and other drinks, but large sales of their regular brands of beers and ales continued under a Dominion law that allowed orders to be taken in Alberta and other provinces, and deliveries, as a result of these, to be made from the breweries in British Columbia. The new law would, of course, cut this field off entirely.

B. C. Breweries, in spite of existing legislation, has had a good year, and will show better figures than in 1916. The properties have been administered by a receiver, who has wiped out the bank indebtedness and created a considerable sum in the treasury which remains for distribution to the bondholders. The bond interest was defaulted on Jan. 1, 1915. For 1914 the company had a deficit of $68,064. There is $3,000,000 of common stock outstanding, on which only 2 per cent. has been paid. The amalgamation includes most of the larger brewing plants in the province, Vancouver Breweries, Canadian Brewing and Malting Co., Union Brewing Co., and Pilsener Brewing Co. The company also controlled a number of leases in Vancouver, B.C., but prohibition cut down the value of these very seriously.

B. C. PACKERS

The official statement covering the salmon pack for the current year shows it to have been larger by 562,370 cases than the pack of the previous year, says THE FINANCIAL POST'S Vancouver correspondent. This will prove a surprise to the eastern brokers who have understood for a considerable time, as a result of representations which had been made by the packers, that the pack would be a very poor one on account of the small run of sockeyes. The total pack for the year will probably reach 1,557,435 cases which is the largest on record, the nearest year to this figure being in 1913 the last year of the big "run" when the figure was over 200,000 cases less than in 1917. The pack of sockeyes was only 315,000 cases while pinks amounted to but 45,000 cases. The balance of the pack was made up in the inferior grades which this year commanded higher prices than for a considerable number of years. The distribution of the pack according to districts was as follows: Fraser River, 377,988 cases; Skeena River, 292,219; Rivers Inlet, 95,302; Naas River, 119,495; Vancouver Island, 377,834, and outlying districts, 294,597.

In his remarks on the year's pack, Fisheries Inspector, Col. Cunningham states that the year's pack was contracted for in July, August and September of the previous year. Sockeyes rose in price this year to $16.50 a case while the prevailing price of pinks was about $9 per case.

BRANDRAM-HENDERSON

The Halifax plant of Brandram-Henderson Company which was damaged is being repaired by a large staff of carpenters, bricklayers and machinists sent down from Montreal to co-operate with the local staff, and it is expected that most of the plant will be running early in the New Year. The president estimates the net loss at something over $40,000. Orders for spring are reported quite up to normal.

CITY DAIRY

In connection with the announcement to the effect that the margin of profit to milk distributors will be reduced to 5 cents per gallon in Ontario by the Food Controller, W. J. Northgrave, manager of City Dairy, states to THE FINANCIAL POST that this is merely the outcome of the conference held some time ago, and that it will make practically no difference. At the time referred to he explains that an understanding was reached on the 5-cent basis, but that there was provision made for increasing costs from that time on. Under this arrangement there will be no change in the operating conditions as they have been for some time past.

A desire for greater efficiency in public service, particularly in view of the wartime conditions prevailing, is indicated by the plans of the City Dairy company in connection with the business of S. Price and Sons, a concern which it controls through stock ownership. Commencing on December 27, City Dairy is taking charge of the distribution to the customers of both companies. Notice has been given that the step has been taken in view of the importance of eliminating all unnecessary cost in the handling of food stuffs and with the idea of maintaining efficient service. At the same time assurance is given to consumers of continued service and quality and the Price customers are cordially invited to make a call of inspection at the City Dairy plant.

CANADA BREAD

As regards the Canada Bread Company's business in Montreal, conditions are very unsettled. Owing to the higher cost of production advances have been necessitated in the retail price of bread with the result that the protests of the people have received the attention of the civic law makers. Montreal aldermen have a keen appreciation of political values in regard to municipal legislation and it is proposed to alter the city by-law with the evident idea of giving the people a larger loaf for the same price. The claims of the bread makers that the city law makers made a change a few months ago which cost them some thousands of dollars and that another change would mean similar expense not to mention waste of tin and probably larger actual consumption of bread at a time when the desire is to conserve foodstuffs appear to receive little attention. Under the circumstances Mark Bredin, manager of Canada Bread, is of the opinion that there is a case for the Food Controller to take action and that under the circumstances prevailing the interests of the bakers should have consideration as well as those of the consumer.

There have been no sales of the company's stock since the dividend activity of a fortnight ago. Quotations indicate 18 asked and no bids.

CANADIAN GENERAL ELECTRIC

The fact that only 12 shares of Canadian General Electric common have changed hands during the past two weeks may be taken as an indication of the state of lethargy into which the market has descended. Sales referred to were at the new readjusted minimum of 99½.

CANADA CEMENT CO.

The Canada Cement Co., which has done very well with its munitions contracts, has declared a dividend on the preferred stock of 1¾ per cent. payable Jan. 16, to shareholders of record Dec. 31. The common stock is quoted at 57 and the preferred at 90.

REVIEW OF MARKET FOR MINING SHARES

Name.	Capital Authorized	Capital Issued	Week ending Dec. 27 High	Low	Sales	Close Dec. 27 Asked	Bid
COBALT STOCKS—							
Adanac	$ 2,500,000	$2,250,000	.12	.10½	6,700	.13	.11½
Bailey	5,000,000	4,250,000	.06	.05½	3,000	.06	.05½
Beaver Cons.	2,000,000	2,000,000	.27	.24½	9,500	.25½	.24½
Buffalo Mines	1,000,000	1,000,000	...	...	....	...	...
Cham.-Ferland	2,500,000	2,312,850	.10	.10	500	.12	.10½
Coniagas	4,000,000	4,000,000	3.25	...	150	3.50	3.15
Crown Reserve	2,000,000	1,999,957	.21	...	2,000	.25	.20
Foster	1,000,000	915,588	...	...	....	.02½	.01½
Gifford	250,000	....	.03½	...	5,500	.04	.03½
Great Northern	1,500,000	1,500,000	.05	...	500	.05	.04
Hargraves	2,500,000	2,500,000	.10½	.08¾	91,100	.10½	.10¼
Hudson Bay	25,000	7,761	...	...	....	.40	.36
Kerr Lake	3,000,000	3,000,000	5.00	...	400	5.30	5.05
La Rose	7,500,000	7,493,135	.38	.37	400	.37	...
McKin.-Dar.-Sav.	2,000,000	2,247,692	.60	.57	1,500	.59	.57
Nipissing	6,000,000	6,000,000	8.75	8.50	130	8.65	8.55
Ophir	685,000	....	.15	.09	26,800	.12½	.12
Peterson Lake	3,000,000	2,401,820	.11½	.10	10,200	.11	.10½
Right of Way	2,000,000	1,685,500	.04¾	.04½	4,500	.05	.04
Seneca-Superior	500,000	478,884	...	...	....	.02½	.01½
Temiskaming	2,500,000	2,500,000	.29	.27½	13,100	.28½	.28
Trethewey	2,000,000	1,000,000	.12¾	.12½	3,000	...	.13
Wettlaufer	1,500,000	1,416,590	...	...	....	.07	.05
PORCUPINE STOCKS—							
Apex	2,000,000	1,300,000	.07	.04¼	48,200	.07	.06¾
Dome Cong.	2,500,000	1,250,000	...	...	....	...	...
Dome Extension	3,000,000	2,200,000	.11	.10	8,800	.12	.10½
Dome Lake	2,000,000	1,227,017	.14	...	1,000	...	.13
Dome Mines	5,000,000	4,000,000	9.25	6.95	1,245	...	8.00
Foley-O'Brien	3,000,000	2,500,000	...	...	....	.45	...
Hollinger	3,000,000	3,000,000	5.00	...	65	5.00	4.90
Jupiter	2,000,000	1,867,786	...	...	....	...	...
McIntyre	3,000,000	2,999,995	1.41	1.36	14,300	1.41	1.40
McIntyre Extension	2,500,000	2,000,000	...	...	....	...	...
Porcupine Crown	2,000,000	2,000,000	.27½	.24½	9,200	.25	.20
Porcupine Imperial	2,000,000	1,409,200	.02	...	2,000	.02½	.02
Vipond	1,500,000	900,000	.21	.17	5,000	...	.17
Preston E. Dome	3,000,000	2,000,000	...	...	....	.03½	.02¾
Schumacher	2,000,000	....	.42	.40½	2,500	.40½	.40
Teck-Hughes	2,000,000	2,000,000	...	...	....	.29	...
West Dome Con.	3,000,000	2,000,100	.13¾	.12½	12,900	.14	.13
MISCELLANEOUS—							
Can. Min. & Smelt.	10,000,000	8,427,500	.25	.25	17	.24¾	...

CANADIAN RUBBER

The plants of the Canadian Consolidated Rubber Co. have nearly completed the orders on hand for rubber boots for the British and French Governments, but these are virtually continuous and will be repeated. Since the last report in THE FINANCIAL POST in regard to big increases in orders in all departments, rubber boots, automobile tires, etc., this condition has continued, and the gross total for 1917 will show several million dollars ahead of 1916. Just what this will mean may be gathered from the following figures:

	1916	1915
Sales	$12,094,696	$7,522,147
Cost of goods, expenses, etc.	11,189,490	6,987,169
Operating profit	$ 905,206	$ 534,978
Net add. to surplus	617,601	342,854
Surplus forward	2,690,299	2,347,264

An operating profit that far exceeded $1,000,000 and sales of $15,000,000 would not be surprising figures for 1917.

CONSUMERS GLASS

This new company for the manufacture of glass bottles is getting the factory in Ville St. Pierre ready to commence operations, and it is expected that work will begin in a couple of months. While most of the machinery installed by the Atlas Glass Co. can be used, portions are being displaced by more up-to-date machinery. It has been decided that none of the stock issue will be offered to the public, as it has been subscribed fully. Many of the shareholders are prospective customers.

DOMINION GLASS

The omission on the part of the directors of the Dominion Glass Co. to furnish a detailed statement of the year's business for the shareholders and for publication last week is believed to have been due, in part at least, to a feeling that the least information that was imparted to the new rival, the Consumers Glass Company, the better. That the latter will cut into the Dominion's field to some extent with a few customers among the bottling works, the wholesale drug trade, etc., is admitted, but it was pointed out to THE FINANCIAL POST that this forms but a small part of the company's business. Nor is there much disquiet at the idea of prohibition coming into effect. This will lessen the available volume of orders somewhat, but bottles for the trade affected form but a small percentage of the aggregate. There is still nothing definite in sight for the regular shareholders.

The profits announced for 1917, namely, $487,000, though showing the increase noted over 1916, and $134,000 over 1915, are far behind the year 1914, when the net profits were $625,749, leaving a total surplus for the year of $488,201.

IMPERIAL OIL

Incorporation of "Imperial Oil Limited" with a capital of fifty million dollars, and headquarters in Toronto, is on the point of completion, the papers having gone through for the issue of Dominion charter at Ottawa. The company will operate under the same charter provisions as formerly for the disposal of petroleum and its products.

MACKAY

A few sales of Mackay common took place during the week at 72, showing no change from the last, but representing almost an entire loss of the advance scored during the movement of a couple of weeks before. There were no transactions in the preferred. Late quotations are 73 asked for the common and 72 bid and 60 asked for the preferred without offers.

NATIONAL BREWERIES

"It is certainly tough on us," was the remark of an official of National Breweries to THE FINANCIAL POST when asked for an opinion as to the effect of the Dominion prohibition legislation on the business of its allied plants for next year. He was at a loss as to the exact intentions of the Government as to ales, beers, etc., but presumed that all of more than 2½ per cent. proof spirits would be prohibited. This, of course, would force the various units of National Breweries to give up practically all that they were manufacturing at present, and "change over" to temperance drinks. This would greatly reduce their output and their profits. He pointed out, on the other hand, that the prohibitory legislation of other provinces had acted as a stimulant to the output of the distilleries in Quebec Province, rather than of the breweries, as a much greater portion of the exports were spirits than before.

"The main question for us is as to how far the Government has gone and will go in the restriction of manufacture to non-alcoholic beverages. Our business is of such a nature that it would be almost impossible for us to go into the manufacture of these. Even if we did the amount would fall far below our normal. Why, in Ontario in the first year under prohibition, the amount of malt manufactured and consumed dropped from 38,000,000 to 14,000,000 lbs."

When the annual meeting of National Breweries is held next month it is not expected that the year's business will show up as well as last year's, when the trading profit for the twelve months amounted to $446,002. The assets of the company were set down at $7,971,287, of which property amounted to $4,191,528, and inventories $781,901. Of a much less certain value, especially if Quebec Province is included under the Dominion law, is the item of good-will, trade marks, etc., of $1,500,000, even supposing those who now patronized brands of over 2½ per cent. followed their favorites into the non-alcoholic list. Among the liabilities are $2,775,000 of preferred, which has paid 7 per cent. from the time of organization in 1909, and common of $2,254,300, on which nothing is paid. There is, in addition, a funded debt of $1,840,100, left after $160,000 had been provided as a sinking fund since 1915. This is in the form of 6 per cent. 30-year sinking fund gold bonds due July 1, 1939, secured by first mortgage on the real estate, buildings, etc., owned by the company and located at Montreal, Lachine, Quebec and St. Therese, all in Quebec Province, and valued at $2,300,000. The reserve amounts to $248,091, and the amount at profit and loss is $631,034. There has been no sale for the stock for several years. The last quotation for the preferred was 95, while common fluctuated between 75 and 49½.

ONTARIO NATIONAL BRICK

The future of the Ontario National Brick Company will be decided in the main on Jan. 22, when an auction sale of the property will be conducted on the premises at Cooksville, Ont., under arrangements made by the liquidator, E. A. Wright. Instead of a tender system, Mr. Wright insisted on an open bidding with the property going to the highest bidder. It is not expected that any one will be ready to provide the cash required to cover the immediate liabilities, and it is probable that the plant will be bought by a syndicate that has been formed of the bondholders and shareholders of the company. The price mentioned as likely to be bid is $175,000 to $200,000, which would clear up an indebtedness of a little over $100,000 that was incurred for development work and was secured by the bonds. The liquidator explained to THE FINANCIAL POST that he had divided the property into six parts so that the original shareholders and bondholders who did not come into the reorganization, by which the bond issue would be cut down, might receive their share of any surplus after the claim of $100,000, and a few more preferred claims were paid.

ROGERS

Securities of the William A. Rogers Company continue as practically a dead issue on the market. For the common the minimum of 40 continues and for the preferred there has been a readjustment of the original figure of 85 to the extent of the dividend payment of 1¾.

RUSSELL MOTOR

The head office of the Russell Motor Car Co. has been removed during the week to the shell plant on Dufferin Street, and all the Canadian activities of the company are now being carried on under the one roof. The King Street plant, where the fuse contracts were handled and where the head office was formerly located, has been closed down. This would seem to indicate that all hope of securing a renewal of the fuse contracts has been abandoned, though the machinery is being kept in readiness for instant operation should further orders develop. Work at the new Buffalo plant is progressing steadily.

SMART-WOODS

The statement of the president of Smart-Woods, Limited, as given in another column, as to increased earnings for 1917, should be very satisfactory, especially when taken in connection with last year's big increase over 1915. Both stocks, preferred and common, would seem now to have reached a firm basis.

UNLISTED SECURITIES

	Bid.	Asked.
Abitibi Power, com.	40.00	46.00
Atlantic Sugar, prf.	27 50	30 00
Brompton Pulp	.....	39.00
Black Lake, com.	1.00	3.00
Do., pref.	.....	4.00
C. P. R. Notes	.....	103.00
Carriage Factories, com.	15.00	
Can. C. & F. Mill	.....	85.00
Can. Machinery, com.	8.00	.....
Dom. Permanent Loan	68.00	71.50
Dom. Power, pref.	89.00	94.00
Ford Motor	140.00	160.00
Home Bank	62.00	65.50
Macdonald, pref.	80.00	85.00
National Drug, 7%	80.00	90.00
North. Crown Bank	68.00	.....
People's Loan	85.00	95.00
Stand. Reliance ($50 par)	45.00	50.00
Sterling Coal, com.	8.50	11.00
Steel & Rad., com.	.....	15.00
Do., pref.	.....	60.00
Wes. Can. Flour, com.	90.00	115.00
Great West Perm.	.....	72.00
North Amer. Pulp	2.50	3.00
Cockshutt Plow, pref.	65.00	73.50
Dom. Sugar	110.00	125.00

UNLISTED BONDS

The following are the approximate quotations of unlisted bonds as furnished by a member of the Montreal Stock Exchange. The name of the firm will be supplied on application to THE FINANCIAL POST.

Security	Bid	Asked
Atlantic Sugar	..	85½
Ashdown Hardware	88	92
Belding-Paul	74½	78½
Black Lake	18	22
Brandram-Henderson	96	..
P. Burns & Co.	97	102
P. Burns & Co.	..	98
Can. Light & Power	42	45½
Can. Steel Foundries	..	88
Can. Salt Co.	94	100
Thos. Davidson	92	96
Wm. Davies Co.	98	102½
Dom. Power & Trans.	..	89
Dom. Park Co.	94	..
Dunlop Tire	96	100½
Eastern Car	92	96
E. B. Eddy	98½	..
Elec. Development Co.	..	85½
Harris Abattoir	97	100
Laurentide Power	82	85½
Matthews-Laing	93	97
Maritime Coal	67	71
Montreal L., H. & P.	82	86½
Montreal Steel	..	95
Mexican North.	11	13½
National Brick	20	25
National Telephone	48	52
Ottawa Electric	..	95
N. S. Steel	80	89
Que., Mont. & Char. Ry.	84	89½
Que.-Jacques Cartier	62	67
Sawyer-Massey	94	97½
Shaw. Water & Power	89	92
Sherbrooke Ry.	..	70
St. Lawrence Flour	92	96
St. Lawrence Sugar	93	95½
Sterling Coal Co.	69	73
Toronto Paper Co.	85½	90
Toronto Power	..	85¾
Wabasso Cotton Co.	78	81
Western Can. Flour	94½	98½
Western Can. Flour	..	97
Western Power Co.	..	55

A BRITISH EXAMPLE

Investment Weekly

One of the most interesting news developments touching the sphere of the bondholder and carrying with it incidentally an admonishment, was a statement that British bondholders in many cases have declined to sell their securities, British as well as American. These holders have willingly loaned their securities to the British treasury; some have consented to their sale, but a majority of the holders have resisted every inducement to part with their title to them. The lesson to be drawn from this is that, if after three years of war, British investors are able to resist the hysteria which has periodically precipitated a heavy liquidation of securities, there should be all the more reason why the American investors should view the situation with composure.

BANK DEPOSITS SHOW FUNDS FOR LOAN PAYMENTS

Another Large Increase Shown in Statement for November

THE BUSINESS OUTLOOK

Government Financing and Rising Prices Have Some Effect on Public Buying—Situation is Healthy, However.

Concentration of the liquid assets of the country to meet the obligations of the Canadian people to the Victory Loan is indicated in the official bank statement to the end of November. Savings deposits went up to $1,008,657,874 an increase for the month of nearly $23,000,000 and current deposits up to $538,869,362 an increase of nearly $44,000,000. Thus there was a total of $1,547,527,236 in cash on deposit to meet the payments on the loan which started on December 1st. This total was more than $250,000,000 greater than for the corresponding statement of 1916.

This was the outstanding feature of the November statement and is a reflection of the strong financial position of the country. The increase in the savings deposits is an indication of the large funds being expended by the Canadian and British Governments for war supplies and this expenditure in turn is being facilitated by the concentration of the people's funds to extend national credits. Thus there is at once shown the advantage to the people and to the country of thrift which will mean larger sums available for future war issues. In this connection the Victory Loan campaign will undoubtedly prove a very important force from an educative standpoint.

The amount of call money outstanding in the United States was reduced by over $11,000,000, representing the second substantial reduction in the last few months. Canadian call loans were practically stationary at $72,178,000. Note circulation was increased to the extent of $6,282,000, which is approximately half the gain shown in the preceding month. The total assets of Canadian banks again advanced to a high record at $3,320,270,985.

Following comparative figures illustrate the principal changes:

NOVEMBER BANK STATEMENT

	Assets Nov., 1917.		Change.
Specie	$ 83,179,731	+	$ 8,228,824
Dom. notes	165,515,137	+	27,864,651
Gold reserve	91,120,000	+	10,350,000
Call abroad	139,832,552	—	11,186,195
Can. call	72,178,345	+	524,626
Current	868,973,714	—	15,013,146
Abroad	95,954,524	+	2,132,659
Assets	$2,320,270,985	+	$75,392,931
	Liabilities.		
Circulation	$ 196,135,810	+	$ 6,282,903
Demand	538,869,362	+	43,810,913
Savings	1,008,657,874	+	22,867,024
Total dep.	1,547,527,236	+	66,677,937
Foreign dep.	175,645,013	—	6,154,444
Liabilities	$2,078,101,230	+	$82,612,272

The Business Situation

The business situation is showing certain further indications of the effect of rising prices and thrift education upon the spending tendencies and the spending powers of the people. Figures indicating smaller imports of luxuries from the United States are also an indication of this. For the time being these are favorable indications. Not only is there a saving of money for the support of national financial programs but there is a reduction in demand for certain classes of articles the manufacture of which would interfere with national production for war service at this time.

Considerable relief has been brought to the industrial situation by the week's announcements regarding transportation conditions in Canada and the United States. The prospect of closer co-operation with regard to supplies of raw materials from the other side of the line is also important.

BRITAIN'S WAR DEBT

No Idea of Repudiation, Says Chancellor of Exchequer

LONDON.—Great Britain will not repudiate her war debt, declares A. Bonar Law, the Chancellor of the Exchequer, in an open letter which he has caused to be published, and in which he denounces rumors that the country would fail to meet some of the liabilities incurred in the war. In his letter the Chancellor states: "Whatever be the financial policy of the British Government after the war, I am certain of this, that any discrimination there may be will not be in favor of those who have withheld their money from the State at a time when its needs were greatest."

MAIL BY WATER

Every Effort To Relieve Rail Congestion in United States

The U. S. Post Office Department has established coastwise parcel-post water routes, primarily to facilitate service for the various cantonments, which will operate to relieve the wartime railroad congestion and expedite service for the general public.

In the present congested condition of transportation practically as prompt service is to be obtained by water routes to certain points as by rail, and the railroads may by that means be considerably relieved.

At present about 4 carloads of parcels are handled daily over these routes, releasing that number of cars for general transportation service. It is expected that within the next few weeks this service will amount to several trainloads daily, which will aid materially to relieve freight congestion.

EFFECT IN QUEBEC OF LIQUOR LEGISLATION

Some Economic Aspects of the New Regulations Announced From Ottawa

Special to The Financial Post.

MONTREAL.—About $900,000 will be cut off the provincial revenues in Quebec if prohibition goes into effect. Unlike Ontario, where the municipalities shared the license revenues, the whole amount goes to the provincial treasury, although in Montreal City there is a special stamp tax in addition, amounting to $8, which must be paid the city. In the city there will be a reduction on May 1 of 100 hotel licenses, from 300 to 200, and 150 grocery licenses, from 350 to 200, with 40 clubs remaining as they are. The license fee was to be increased to make up the difference, but the Provincial Government will be asked to pass a provincial law forbidding sale in the province.

"We will press this more strongly than ever before, and as it is not likely to meet with as vigorous opposition from the liquor interests, which would be virtually dead in a year or two under the Dominion legislation, we are confident of a much more sympathetic hearing," said John H. Roberts, secretary of the Dominion Alliance for the Province.

The exclusion of Quebec in regard to the prevention of sales was strongly supported by the temperance forces from this province. Their idea was that this question should be left to the province, so that if the Dominion law were repealed at any time a provincial law might still be in force. There was also the question of provincial autonomy at stake.

In the other provinces it is the manufacturing interests which are largely concerned. Under the legislation which has been in effect the makers have been in a position to export their products out of the province or to make deliveries from bond on orders from other parts of Canada. Thus in Ontario, for example, deliveries could be made by distillers to local consumers on orders sent out of the province and returned by outside dealers, and under this system a large mail order business had been organized. Owing to the ageing process the distillers have large stocks on hand, but to what extent they will be able to market these to advantage is not quite clear. In any event, manufacturing must undoubtedly cease until after the end of the war. What conditions will then prevail will probably depend upon the public attitude.

ENORMOUS TRAFFIC

U. S. Railroads Moving 100% More Freight Than in 1906

"Approximately complete statistics of freight movement during the first six months after the United States entered the war, that is, April to September inclusive, which have been compiled by the Bureau of Railway Economics for the Railroads' War Board, disclose that in that period the railways not only handled far more traffic than in any earlier six months of their history, but also as much as in any entire year prior to 1907," says the *Railway Age Gazette* in its current issue. "It will be recalled that the years 1906 and 1907 marked the climax of a long period of rapid increase of railroad business which resulted in the longest and most acute congestion of traffic and 'shortage' of cars ever known until recent months. It is therefore not without significance that in the first six months of 1917, after the country entered the war, the railways handled as much freight as they did in the entire year 1906.

"In 1915 the railways handled only 30% more freight than in 1906 while in 1917 they are handling approximately 100% more than they did in 1906. These facts illustrate not only the enormous increase which has occurred in railway freight business during the past eleven years, but also how swiftly the bulk of the increase has come within the last two years."

A DENIAL THAT COLD STORAGE INFLATES PRICES

Some Interesting Light on a Much Misunderstood Industry

CONSERVATION THE IDEA

Assistant Manager of Swift Canadian Company Delivers an Address in Winnipeg—Some Speculative Features

From the nature of the propaganda which has been carried on against the Canadian packers there are no doubt many people who have arrived at the opinion that the industry is one which has been organized for the sole purpose of storing food so as to run prices up on the consumer. Little thought is given to the fact that the cold storage industry is a very important factor in the economic fabric of modern civilization. By its operation vast quantities of food are taken from the market when it would be glutted otherwise and preserved until a season when there is a shortage according to natural laws. The result is that prices are evened up and waste is eliminated.

Further the cold storage system has been an invaluable factor in the military campaign in Europe for were it not for the system of freezing it would not be possible to handle such vast stores of meat as are needed at the front.

Some of the practical features of the cold storage system were recently described by W. R. Ingram, assistant manager of the Swift Canadian Company in the course of a lecture delivered before the Association of Sanitary Engineers at Winnipeg. We quote in part:

> Cold storage and refrigeration had played a great part in the preservation of foods. Through cold storage food could be stored when it was produced in large quantities; and kept until such time as there was a scarcity of the same class of foods, thus tending to maintain a low average price for such articles. Refrigeration made it possible to use certain goods all the year round, when otherwise they could only be used for a few months.
>
> Refrigeration allowed the conservation of millions of tubes of vaccine for medical purposes and it even provided for extra amusement through the production of artificial ice during the summer and in hot climates.
>
> Ocean space was a most important problem at the present time and refrigeration and cold storage allowed of the carrying of much larger quantities of food than would be possible without them. Without artificial refrigeration the transportation of meats to Great Britain would practically be impossible.
>
> Mr. Ingram expressed the regret that in Canada nothing was done to promote education in those sciences which were closely connected with the problems of cold storage and refrigeration. In conclusion, he emphatically denied that cold storage had anything to do whatever with the high cost of living, and claimed that it would rather have the effect of reducing the price of many of the commodities.
>
> No packing house ever stocked food stuffs and kept them in cold storage with the idea of making any extra profit, people who got that idea into their heads were entirely wrong. The packing houses simply adopted the same policy followed by the farmer, who put in his hay in the summer to have feed for his stock in the winter, the housewife who made jam in the summer to have fruit in some form in the winter.
>
> It was simply a matter of gathering products, which would be spoiled and lost if not properly taken care of and which was produced at only one season of the year to have them available during those seasons when they were not produced. Such food was produced at certain times, in such large quantities that they could not possibly be used in their fresh condition; and unless the cold storage plants took care of them they would be a tremendous waste and loss.
>
> That the packing companies did not hoard food for profit was shown in the case of one certain company who had put in a large supply of fresh eggs during the summer and lost $40,000 because the production of eggs went on all year.

TIMBER IN N.B.

Labor and Transportation Difficulties Interfere With Cut

Present indications point to a greatly reduced quantity of timber felled in New Brunswick during the winter as compared with the ordinary average aggregate. Two reasons are to be assigned for the anticipated shortage in the 1917-18 cut—scarcity of labor and transportation difficulties.

The leading operators of the Province are forecasting an extraordinarily small total cut, probably not more than 50 per cent. of that of recent previous years.

The effect of the existing transportation problem on the lumbering industry is one easily understood. Recent estimates of the lumber cut and awaiting shipment at points in New Brunswick and the adjacent counties of Nova Scotia place the total at 300,000,000 feet. Assuming that these figures somewhat exaggerate, it is still manifest that there is little to encourage operations on any extensive scale in the near future. That all this lumber is waiting transportation is due to shortage of railway cars and vessels for the coastwise trade and the restrictions now in force against oversea shipments. Were stocks of lumber now on hand less and prospects for moving them brighter, greater efforts would be made to secure labor for the lumber camps, for current market prices are high both in Canada's upper Provinces and in the United States. One need only recall that the lumber industry of New Brunswick represents an annual distribution of about $15,000,000 among those directly and indirectly concerned with it to understand how seriously any interference with the winter's operations in the woods affects the general economic life of the Province.

SMART-WOODS MADE GAINS ON PEACE BASIS

Net Earnings for 1917 Will Far Exceed $500,000—Avoiding War Business.

While a large portion of Canada's industrial development is due to war business, and warnings are being issued against counting on a favorable balance of trade when munitions orders are cut off, and our agricultural products cease to be in such desperate demand overseas, Smart-Woods Limited are showing a steady development along a deliberate "peace" pathway that has been marked out. This company has been growing steadily during the war, and the President, Lt.-Col. James W. Woods, in a letter to THE FINANCIAL POST states: "I am very pleased indeed, to be able to state that our net earnings will be in excess of last year." This means that these will run ahead of $516,191, last year's figures, which compared with $397,659 in 1915 and $108,629 in 1914. There has of course been some indication of the prosperous condition of the company when it was able since the first of June last to declare dividends amounting to 7 per cent. on the common stock, which had paid nothing since June, 1914. Last year the deferred dividend in the preferred stock (Oct., 1914, to Oct., 1915) was taken care of to the extent of $135,672.

In referring to war orders the President states that the company has none on its books, nor has it had for some months, either from Canada, the United States or England.

"In this connection I might take this opportunity of informing you that the war business has not assisted us to any extent since 1914.

"The cessation of the war business," the President adds, "will not affect it to any material extent, except, naturally, in the possible shrinkage of values, which are now at such a high point.

"Transportation is quite a serious question, as quite 60 per cent. of our business is made up of goods imported from India, and now that not only raw materials but all ships are commandeered by the Allies, this question will either very much improve, or the reverse; time will tell.

"Smart-Woods Limited's business is one of the most solid, being native to the country, and with its development increased business is natural."

B. C. COAL PRODUCTION

Indications That Year's Total Will Show a Decrease

Special to The Financial Post.

VANCOUVER.—Unless there is a material change in the coal situation in British Columbia before the end of the year the coal production for this year will not come up to the figure of 2,485,580 tons of 1916. For the eleven months of the year to date the tonnage of coal mines in the province is as follows: Coast mines 1,562,000, Crow's Nest 494,975 and Nicola 139,323, making a total of 2,196,898 tons which is short by 288,682 tons of last year's figure. Judging by the cord of the province for the year to date, the highest figure in any one month was 244,000 tons which were produced in March, the next highest being in November when 234,414 tons were mined. The breaking out of fire in the workings of the Jingle Pot Mine in Nanaimo, which is a big producer, seriously interfered with the output of the mine thereby preventing the total output for the province equaling the total of last year. Seven years ago the output of the coal mines in the province was 3,139,235 tons. The latest available statistics show that the number of miners which in 1910 was 7,758 had been reduced at the end of the past year, 1916, to 5,060 the inroads made upon the men by the Great War probably being largely responsible for the decrease.

In this connection it might be mentioned that a great deal of complaint is heard in Vancouver and other coast cities as to the quality of coal which is being shipped by the mines. While $8.50 per ton for lump coal is being charged in Vancouver, a large percentage of the loads consist of dust and nut coal.

Leaving Your Problems To Your Family

Have you made your will?

It may be hard for you to face so far in advance decisions which would at any time be difficult.

But it will be harder for your family to face the same problems without your special knowledge, and with lessened legal freedom to deal with them.

In making your will, remember that the recognised instrument for dealing with estates is the modern trust company. By having your lawyer write this Company into your will as executor, you make certain that your wishes will be effectively carried out at a cost no larger than your estate would have to meet under the control of a personal executor.

National Trust Company Limited
Capital Paid-up, $1,500,000 Reserve, $1,500,000
18-22 King Street East, Toronto.

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3. $30,214,000. Issued
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This amount of our Collateral Trust Securities has been bought by Banks and Trust Companies as well as by private investors in Canada and the United States.
This means that hundreds of banks have checked these securities. It means that they have bought them and that they have continued to re-invest in them.
And, these banks include every type, from the smaller country bank in the U.S., limited by law to a few thousands of dollars in each investment, to a considerable number of banks in the large financial centers which carry regularly a line of from $100,000 to over $1,000,000.
Every banker and other investor should be possessed of the full facts of this form of short-time investment. These are contained in our new book, "Collateral Trust Securities," of which a copy may be had upon mail or telephone request. It discusses such topics as the following:

Self Liquidation; Maturities;
Margin of Security; 10,000 Name Paper;
Collection Record of Underlying Collateral;
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ALVENSLEBEN IS "BROKE"

German Financier, Friend of Kaiser, Loses Fortune

VANCOUVER.—That Alvo von Alvensleben, of Vancouver, one time personal friend of the Kaiser, reputed millionaire, wizard of finance and extensive property holder, whose close connection with the Prussian militarists at the outbreak of war and subsequent movements here and across the border occasioned sensational interest, is now in internment at Salt Lake City, and that his conferes, Seybold and Ogden, are with him was the interesting disclosure made in Supreme Court. It confirms recent telegraph dispatches of his whereabouts.

The facts were made known in the final hearing of a long protracted case, when "Alvo" et al by losing judgment have forfeited a large block of valuable timber property on Vancouver Island, on which a million dollars has been paid.

The suit was that of the Red Cliff Land & Lumber Co. against Alvo von Alvensleben, et al, which has been pending for the past two years, and which was finally disposed of by His Lordship Chief Justice Hunter, judgment being given in favor of the plaintiffs for the amounts claimed.

It was an action in which the plaintiffs originally sued for foreclosure of an agreement for sale for the purchase of a large block of very valuable timber on Vancouver Island. The original price was something over $2,000,000, and about a million dollars had been paid. A judgment for some $525,000 for payments on the agreement which had fallen due had been obtained. There remained something like a million dollars, with the interest, which was payable in 1921.

STILL IN DOUBT

Scrutineers Given Week to Count Temiskaming Ballots

It will be some days before shareholders of the Temiskaming Mining Co. know the result of yesterday's vote on the proposal to acquire a half interest in the Kirkland Lake Mining Co. from Beaver Consolidated. Three scrutineers were appointed at yesterday's special meeting to count the ballots, and they will report at an adjourned meeting of the shareholders next Friday.

In the meantime the Temiskaming fight has entered on another phase through the application of Max Morgenstern, the New York shareholder, who blocked the previous deal, for an injunction restraining the directors from declaring further dividends or acquiring other properties, or otherwise expending the assets of the company. A temporary injunction has been granted until January 3, when the case will come up for argument. It is believed that this action has been taken by Mr. Morgenstern in case the Kirkland Lake deal should not be ratified, in which event the directors might be inclined to pay out the surplus in dividends and then resign.

The International Harvester Company of Canada, Limited, has increased its capital stock from $1,000,000 to $15,000,000.

Regulation of the price of western winter-caught fish has been considered by the Food Controller and a plan prepared. Joint action by the authorities of the United States and Canada is contemplated.

MANUFACTURE OF BIG GUNS IN UNITED STATES

Large Orders Have Been Given to U. S. Steel Corporation

MORE CANADIAN ORDERS

Dominion Steel Products Company of Hamilton Among Concerns Which Have Received Business In Supplying Ordnance.

Special to The Financial Post.

NEW YORK.—Some months ago, the United States Government began a vigorous campaign for the manufacture of ordnance on a large scale by independent steel interests that had never before engaged in such work. To encourage manufacturers to enter in this new line of endeavor, the Government offered large financial assistance. Since that time, satisfactory progress has been made but the Government has not relaxed its efforts to further increase the manufacture of both small and large guns. It is now known that negotiations were quietly entered into by the Ordnance Bureau of the War Department with the United States Steel Corporation for the production of steel forgings to be used in the manufacture of big guns. As a result the Steel Corporation has recently appropriated $10,000,000 for the erection of a huge forging shop at the Gary plant of the Illinois Steel Co. It is also reported that gun forgings will be manufactured by the Carnegie Steel Co. and by the National Tube Co., both of which companies are subsidiaries of the Steel Corporation.

In the last few weeks, the government has redoubled its efforts to increase the production of machine tools, especially for the building of large tools needed for gun work. Encouraged by Washington officials, the Otis Elevator Co. is preparing to manufacture large tools to be installed in arsenals and in other plants manufacturing guns. The Niles-Bement-Pond Co. will devote the new plant that it is building at Kearney, New Jersey, to the manufacture of large machine tools.

In the last week, manufacturers of ordnance have placed orders with machine tool builders calling for the expenditure of upward of $5,000,000. The United States Government has also placed heavy orders for machinery to be installed at various arsenals. Thus far, the War Department has placed orders for machine tools calling for the expenditure of $5,000,000. These tools are to be installed in the Rock Island, the Watertown and in the Watervliet arsenals. The Stone & Webster Engineering Corporation that has the general contract for the United States arsenal being constructed in France, has placed additional orders for shop equipment with American firms. The Government is to construct 47 in. guns with recoil mechanisms as well as French hydro-compression guns at the Rock Island arsenal. The equipment of the latter plant will call for the expenditure of about $4,000,000.

Several large manufacturing firms holding Government contracts for gun mounts and for other ordnance accessories have been buying machine tools in the New York market in the past few days. Among other manufacturers, the Dominion Steel Products Co., Brantford, Ont., that has been awarded a $4,000,000 contract for gun mounts by the United States Government, has purchased tools in this market. Dodge Bros., Detroit, and the Standard Ordnance Corporation of Hamilton, Ohio, have purchased lathes, drilling and milling machines for gun work.

COAL OUTPUT CUT

Weather Responsible for a Decline in December

Colliery operations at the anthracite mines have recovered to about normal but the effects of the severe weather conditions recently are expected to disclose a sharp cut in the output of the month of December. The milder weather of the past few days raised the question of possible trouble with flooding of the mines at some points, as considerable snow fell in the mining regions, but operators were inclined to believe that there would not be much to contend with on this score at this time. A relief from the stress of coal shortage, due to the actual pressing needs of consumers, is apparent since the rise in temperature, and if it remains about where it is for a while coal company officials think there will be improvement in the situation.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing o Dec. 28, in stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active. (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings % 1916	Dividends 1914	1915	1916	Last Dividend Date 1917	Rate	Yield to Dec. 28	BANKS	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	Range 1917 to Dec. 20 High	Date	Low	Date	Close Dec. 28 1916 Ask	Bid	Close Dec. 28 Ask	Bid	Week ending Dec. 28 High	Low	Last	Sales	Minimum Price
4,866,666	3,017,333	332,955	11 24	8	7	*	8th Oct.	s. 3	5.35	British North America	150	145	145	145	112	110	112	Jan. 29	112	Jan. 29									112
15,000,000	13,000,000	802,319	16 26	10+2	10+2	10+2	1st Dec.	q. 2½+1	5.40	Commerce	218	199½	205	203	203	183	188	Feb. 27	182½	Dec. 6	183	184½	185		185	184¾	184½	6	181½
6,000,000	7,000,000	363,442	15 78	12+2	12	12	2nd Oct.	q. 3	5.94	Dominion	233	218	229½	227	220	204	212½	Jan. 9	202	Nov. 8		209							199
3,000,000	3,300,000	209,556	14 73	12	12	12	1st Dec.	q. 3	6.52	Hamilton	207	198	208	201	197	246¾	192	Mar. 17	184	Oct. 26	192	190							181
4,000,000	3,700,000	42,711	13 65	9	9	9	1st Dec.	q. 2¼	6.42	Hochelaga	155	149	150	149	149	145	145	Jan. 9	140	Oct. 18	149	145							140
7,000,000	7,000,000	1,089,656	14 73	12	12	12	1st Nov.	q. 3	6.48	Imperial	218	210	214	210	203	180	200½	Jan. 11	185	Oct. 12	205	199	185		185	185	185	7	185
1,946,373	300,000	42,791	8 44	7	7	5	1st Sept.	q. 1¼	4.42	Home Bank	116	110																	
7,000,000	7,000,000	421,293	16 00	10	10	10	1st Nov.	q. 2½	5.98	Merchants	193	177	180	180	180	150	170	Jan. 3	167	July 25	170								167
4,000,000	4,800,000	127,549	13 20	11	11	11	15th Oct.	q. 2¾	6.11	Molsons	205	194	202	200	195	182	186	May 19	179½	Jan 24									177½
16,000,000	16,000,000	1,414,424	13 75	10+2	10+2	10+2	1st Dec.	q. 2½+1	4.76	Montreal	250	227½	240	234	240½	219	234	Jan. 11	210	Oct. 5	229								206¼
2,000,000	2,000,000	59,966	20 88	8	8	8	1st Nov.	q. 2	5.36	Nationale	133¼	131	132¾	132¾	134	134	149	July 31	134	Feb. 5									148
6,500,000	12,000,000	584,654	19 26	14	14	14	3rd Oct.	q. 3½	5.62	Nova Scotia	265	257	265	261	261	254	257½	Mar. 9	248½	Oct. 18		256							244½
4,000,000	4,750,000	118,179	14 77	12	12	12	1st Dec.	q. 3	6.00	Ottawa	208	201	207	207	204	202	202	Mar. 8	200	Feb. 23	202								198
12,000,000	12,560,000	852,346	17 59	12	12	12	1st Dec.	q. 3	5.76	Royal	228	218	223	221¼	221¼	210	214	Feb. 13	208	Oct. 22	213	212		205	205	205	205	11	205
3,333,242	4,333,242	153,543	17 40	13	13	13	2nd Nov.	q. 3¼	6.50	Standard	223½	208½	220	215	221	211¼	215	Jan. 2	200	Oct. 24		214½	200		200	200	200	12	200
1,212,173	300,000	60,829	13 32	6	6	6	15th Nov	q. 1½	6.12	Sterling	98½	98																	
5,000,000	6,000,000	507,989	14 60	11+1	11	11	1st Dec.	q. 2¾	5.78	Toronto	215	203	211	207	215½	190	213	Jan. 30	187½	Sept. 5	190								184½
5,000,000	3,400,000	93,160	13 02	8+1	8+1	8+1	1st Dec.	q. 2	5.83	Union	147½	137	140½	140	140	132	142	July 30	135	Oct. 25		135½							133

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Name	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	1917 High	Date	1917 Low	Date
Barcelona, T. L. and P.	35½	15½	17¾	7¾	17	19	17	Jan. 4	8	Nov. 13
Brazilian Traction L. and P.	92	53½	59¾	45	62¾	43	47¾	Jan. 2	31½	Oct. 30
Brazilian Traction, Pref.										
Canada Steamships Lines, Com.			20	6	45	16	45⅝	Aug. 22	29¾	Feb. 3
" " Pref			76½	59	95½	89¾	93¾	Jan. 29	71	Nov. 8
Canadian Pacific Railway	219⅝	171½	195½	139¾	182½	163¾	167½	July 9	127½	Dec. 13
Detroit United	73¾	55	73	62	128½	69	128	Jan. 3	[illegible]	Oct. 29
Duluth Superior Traction Co., Com.	67	55	60	55	49	37	51	Feb. 22	40	Aug. 24
Illinois Traction, Com.							35	Sept. 20	[illegible]	Oct 29
Illinois Traction, Preferred	95	95	93	91	91	87¾	89	Feb. 22	79	Oct. 11
Mexico Tramways Co.										
Minn., St. P. and S.S.M., com.	134¾	116½	126¾	116½						
Montreal Tramways	230	190	220	220			181	Jan. 5	144	May 12
Northern Ohio Traction			73	73						
Porto Rico Railways Co., Com.	71	45	51	45	49½	30	42	Jan. 27	30	Oct. 18
" " Pref.	103½	101			30					
Quebec Railway L., Heat & P. Co.	16¾	10	20½	9⅛	45	14	35½	Jan. 2	14¾	Oct. 24
Toronto Railway	144¾	110	117½	111	111	72	90½	Mar. 12	58½	Oct. 30
Twin City, common	108½	99¾	101	93	101	93⅜	95	Jan. 3	63	Dec. 17
Winnipeg Electric	210½	188	186¼	180	110	90	81	Jan. 12	36	Aug. 10

TELEGRAPH, LIGHT AND POWER UTILITIES

Name	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	1917 High	Date	1917 Low	Date
Bell Telephone	159¼	140¼	159	140	152	140	150	Feb. 5	129	Oct. 11
Consumers Gas	180	169	185	176	176	160	165½	May 10	147	Oct. 16
Calgary Power	59	53								
Civic Investment and Industrial										
Mackay, common	88	65½	70¼	65	69¼	64½	82⅞	Jan 27	67⅛	Dec. 13
" preferred	71	32½	46	46	15	15	90	Feb 17	70¾	Nov. 29
Mexican Light and Power Co., com.	49⅞						68	Jan. 16	59	Nov. 19
" " pref.										
Ottawa, Light, Heat and Power Co.	172	124	123	120	95¾	92	92	Jan. 17	69¾	Oct. 18
Shawinigan Water and Power Co.	142¾	111	139½	110	137	126¾	130½	Jan. 2	107	Oct. 29

INDUSTRIALS AND MISCELLANEOUS

Name	Range 1914 High	Low	Range 1915 High	Low
Abitibi Pr. and Paper				
American Cyanamid				
Ames Holden McCready Co., com	16	6	23	7⅞
" " pref	70½	54	75	55
British Col. Fish, com				
Brompton Pulp and Paper, com				
F. N. Burt Company, com	88	67	72½	70
" pref	100	89	75	89
Canada Bread, com	33	18½	31½	29
" pref	92	89½	90½	90
Canada Cement, com	32	28	48½	28
" pref	93	98½	98½	89¾
Canadian Car and Foundry, com	70	48	120	50
" pref	109½	98	127	98
Canadian Converters	40	34	34	34
Canadian Cottons, Limited com	39	24	40	24
Canadian Cottons, Limited, pref	79	70½	77	71
Canadian Fairbanks-Morse, pref	92	92	95	95
Canadian Foundries & Forgings, co				
" pref				
Canadian Locomotive Co., com	45	30	64½	30
" pref	*90½	85	90	78
Can. Consolidated Rubber, com	91	91	91	91
" pref	*97	96½	101	100
Canadian General Electric, com	114⅞	90¼	128	90¼
" pref			110½	110
Carriage Factories, Limited, com			53½	35½
" pref			81	75
City Dairy, com	102	98	100	98
" pref	101¼	98	102	98
Dominion Bridge Co.	122½	107	230	107
Dominion Canners, com	68⅝	27½	35	31
" pref	96	80		
Dominion Steel Corporation, com	41⅞	19⅞	51	19⅞
Dominion Iron and Steel, pref	*94	68	96	71
Dominion Coal, pref	106	97⅛	101	98
Dominion Textile, com	86⅜	60	77	64
" pref	106⅛	100	103	101
Goodwins, Limited, com	28	o23	28	26
" pref	*82	74		
Goulds Manufacturing Co., com	97¾	97¼		
" pref				
International Petroleum				
Lake Superior Corporation	22⅝	6⅛	9⅞	9⅞
Lake of Woods Milling Co., com	135	127	137	129
" pref	120	120	122	120
Laurentide Co.	192¾	160	198	160
Lyall Construction Co., com				
A. Macdonald Co. com	21¾	8	14	7
Maple Leaf Milling, com	47⅞	25	68	30½
" pref	101	98	98	88
Montreal Cottons, Ltd., com	58	56	56	51
" pref	103	97¼	100½	99
Monarch Knitting Co., com	40	25	27	25
" pref	90	82	82	82
National Steel Car, com				
" pref				
Nova Scotia Steel, com	79	39	107	45¾
" pref	120	110	125	110
Ogilvie Flour, com	123	107	144	107
" pref	117	105	120	113
Ont. Steel Products, com				
" pref				
Pacific-Burt Co. com	32	*28	31	28
" pref	85	82½	85	80
Paton Manufacturing Co.				
Penmans, Limited, com	55½	48	62	49
" pref	84½	79½	83	82
Price Bros.	60	70		
Riordan Pulp and Paper, com				
" pref				
William A. Rogers, Ltd., com	147	96	103	96
" pref	106	99	99	99
Russell Motor Car, com	20	5	50	10
" pref	49	25	76	25
Sawyer-Massey Co., com	30	25	33	25
" pref	88	69	76	69
Sherwin-Williams, com	60⅛	53	57½	55
" pref	104	97	100	98¼
Shredded Wheat, com	90¾	.78	102	92
" pref	*94	*93½	99	93
Smart-Woods, Ltd., com	20	18	15	20
" pref			45	20
Smith Paper Mills H				
Spanish River Pulp Mills, com	16¾	9	9⅝	3
" pref	*51	31	35	35
Steel Co. of Canada, com	20	11	48	8½
" pref	87⅝	69	95	69
Standard Chemical, pfd				
Tooke Bros., com	26	15	18	16
" pref	81	75		
Toronto Paper Co	61	30	45	25
Tuckett Tobacco, com	47	29	29¼	29
" pref	101	90¼	90	90
Wayagamack com	32⅝	21	26½	26

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Bonds, Preferred Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1917	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1915 High	Low	Range for year 1916 High	Low	Latest Price Ask	Bid	Last Sale
205,000	4,122,853	1,244,392	9	1st Oct.	q. 2¼	Canada Landed	62	157⅛	163	157½	154		151
000 000	20,905,084	5,19 ,652	10	1st Oct.	q. 2½	Canada Permanent	188	183	1 3	168⅝		167½	169
750,000	4,095,238	1,807,053	10	1st Oct.	q. 2½	Central Canada	190	190			190		
453,595	624,548	411,463	6	2nd July	s. 3	Col. Investment, pref.	8	78	76	70	74		68
934,395	1,072,384	252,511	5	1st July	s. 2½	Dominion Savings	81	81	80	80		81	78
411,863	2,318,270	701,646	8	1st July	s. 4	Great West Per.							89½
200,000	2,312,901	1,091,062	8	2nd July	s. 4	Hamilton Provident	140¼	1 5	140	138		137	137
500,000	12,099,672	3,085,518	12	2nd Oct.	q. 3	Huron and Erie	211	209	214	209	210	208	209
000,000	1,937,231	781,348	8	2nd July	s. 4	Landed Banking	147	147	45	144		145	143
250,000	2,879,717	808,018	8	1st Oct.	q. 2	London and Can. Loan	136	31	35	132	128	127½	127½
884,283	1,830,660	369,893	6	1st Oct.	q. 1½	London Loan and Sav							
600,000	356,269	726,506	10	15th Sept.	q. 2½	Montreal L. & Mtg. Co.	1 6	6	175	160			6
500,000	7,371,097	1,596,314	10	2nd Oct.	q. 2½	National Trust	2 3	233	210	210		210	207½
750,000	3,983,186	1,903,533	9	1st Oct.	q. 2¼	Ont. Loan and Deb.	17	69	175	169		175	160
500 000	638,931	245,375	7	2nd July	s. 3½	Real Estate Loan							103
500,000	32,322,068	1,548,557	10	1st Oct.	q. 2½	Toronto Gen. Trusts	210		210	205½	207		205
724,550	1,910,506	595,010	8	1st Oct.	q. 2	Toronto Mortgage Co			140	134		136	136
000,000	1,841,631	1,036,147	10	1st Oct.	q. 2½	Toronto Savings							185
000,000	7,487,861	986,531	10	1st Oct.	q. 2½	Union Trust							178
10 000		6,674,019	10	1st Oct.	q. 2½	Canada Life Assurance							9

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1915 High	Low	Range for Year 1916 High	Low	Latest Price Ask	Bid
1,500,000		1,885,740	10	1st Apr.	s. 5	Canadian N. Prairie Lands						
800,000	400,000	469,740	8	1st July	q. 2	Canadian Salt	115	110	140	124	133	128
59,109		1,605,792	55	3th Mar.	5	Can North-West Land						
00,000		2,473,048	20	30th June	q. 5	Confederation Life A.			350	330	375	
6,212,666		445,933	6	30th Dec.'16	s. 1½	Crows Nest Pass Coal	100	100	83	71		55
1,000,000		292,302	6	15th July	s. 1½	Dominion Telegraph			90	86		
3,000,000	9,669,500					Electrical Dev., pref.						
450,000	b 3,988,449	2,111,299	10	1st July	q. 2½	Imperial Life Assur.						
500,000	b 365,613	643,552	p	1st Mar.'12	s. 2	Intercolonial Coal						
	p 217,900		p	1st Mar.'12	s. 3½	Intercolonial Coal, pref					80	
3,000,000		509,121	p	1st Mar. '14	1	Intern. Coal and Coke						
2,196,000	2,000,000	471,697	6½	15th Aug.	q. 1¾	Kaministiquia Power						
572,680	b 634,000	168,726	6	2nd July	s. 3	London Street						
2,000,000		119,184	8	15th July	q. 2	Montreal Telegraph	140	136	136	135		135
925,000	b1,123,000					Nia., St. Kath. and Tor.						
1,164,000	b 749,000	268,375	p	10th July '15	q. 1¼	Trinidad Electric	105	100				
2,124,700	b1 540,617	688,268	8	15th June	q. 2	W. Can. Flour Mills	80	80	118½	102		
800,000	b 600,000	578,143	5	1st July	q. 1¼	West India Electric						

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—indicates bonus; b—means bond; p—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912 · Feb. 1st and Nov. 17th, 1914, and December 1, 1914

DIVIDENDS DECLARED

THE HURON & ERIE MORTGAGE CORPORATION

Quarterly Dividend No. 121

NOTICE is hereby given that a dividend of three per cent. for the quarter ending December 31st, 1917, being at the rate of twelve per cent. per annum upon the paid-up capital stock of this Corporation has been declared, and will be payable at the Corporation's office in this city on and after Wednesday, January 2nd, 1918, to shareholders of record at the close of business on December 15th, 1917.

By order of the Board,
M. AYLSWORTH,
Secretary.
London, Canada, Dec. 4th, 1917.

The Bank of Nova Scotia

DIVIDEND No. 192.

NOTICE is hereby given that a Dividend at the rate of Fourteen per cent. per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Wednesday, the 2nd day of January next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,
H. A. RICHARDSON,
General Manager.
Halifax, N.S., November 20th, 1917.

Laurentide Company, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1½% upon this Company's capital stock, for the quarter ending December 31st, 1917, has this day been declared, payable on Wednesday, January 2nd, 1918, to shareholders of record at the close of business, Saturday, the 22nd day of December, 1917, by order of the Board.

W. F. ROBINSON,
Secretary.
Montreal, November 27th, 1917.

Provincial Paper Mills Company, Limited

NOTICE IS HEREBY GIVEN that dividends of one and three-quarters (1¾%) per cent. on Preferred Stock, and one (1%) per cent. on Common Stock of this Company have been declared for the current quarter, both payable January 2nd, 1918, to shareholders of record at the close of business December 15th, 1917.

By order of the Board,
S. F. DUNCAN,
Secretary-Treasurer.
Dated Toronto, December 8th, 1917.

The Real Estate Loan Co. of Canada, Ltd.

DIVIDEND No. 62.

NOTICE is hereby given that a Dividend at the rate of three and one-half per cent. for the half-year ending 31st inst., has been declared upon the Capital Stock of the Company, and that the same will be payable at the Office of the Company in Toronto, on and after 2nd January, 1918. The Transfer Books of the Company will be closed from 15th to 31st December, both days inclusive.

By order of the Board,
E. L. MORTON, Manager.
Toronto, 1st December, 1917.

Smart-Woods, Limited

DIVIDEND NOTICE

A DIVIDEND of One and three-quarters per cent. (1¾%) on the PREFERRED STOCK of SMART-WOODS, LIMITED, has been declared for the quarter ending December 31st, 1917, payable December 31st, 1917, to Shareholders of record December 27th, 1917.

By order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, December 19th, 1917.

Canadian Cottons Limited

NOTICE is hereby given that a quarterly dividend of one and a half per cent. (1½%) has been declared on the Preferred Shares of this Company, payable the 4th day of January, 1918, to Shareholders of record the 24th December.

Also that a quarterly dividend of one per cent. (1%) has been declared on the Common Shares of this Company, payable the 4th day of January, 1918, to Shareholders of record the 24th December.

Transfer Books will be closed from 25th December to 3rd January, both dates inclusive.

BY ORDER OF THE BOARD,
A. BRUCE,
Secretary-Treasurer.
Montreal, December 18th, 1917.

Central Canada Loan & Savings Company

QUARTERLY DIVIDEND.

NOTICE is hereby given that a Dividend of TWO AND ONE-HALF PER CENT. (2½%) for the three months ending December 31st, 1917, at the rate of TEN PER CENT. per annum, has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Wednesday, the 2nd of January, 1918.

The Transfer Books will be closed from the 17th to the 31st of December, both days inclusive.

By order of the Board.
E. R. WOOD.
President.

Penmans Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half per cent. has been declared on the Preferred Shares of the capital stock of this Company, for the quarter ending January 31st, 1918, payable February 1st, 1918, to shareholders of record of January 21st, 1918; also a dividend of one per cent. and bonus of one per cent. on the Common Shares for the quarter ending January 31st, 1918, payable February 15th, 1918, to shareholders of record of February 5th, 1918.

By order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, December 19th, 1917.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND No. 4

NOTICE is hereby given that a dividend of 5 per cent. (5%) on the issued capital stock of the Company will be paid on the 31st day of January, 1918, to shareholders of record at the close of business on the 15th day of January, 1918. Books closed [illegible] to 31st January, inclusive.

By order of the Board.
M. P. VAN DER VOORT.
Secretary-Treasurer.
Dated at Toronto, 21st day of December, 1917.

The Royal Bank of Canada

Annual Meeting

THE ANNUAL GENERAL MEETING of the Shareholders of the Bank will be held at the Head Office, 147 St James Street, in the City of Montreal on THURSDAY, the 10th DAY OF JANUARY, 1918 at 11 o'clock a.m.

C. E. NEILL,
General Manager
Montreal. December [illegible] 1917

The Canadian Crocker-Wheeler Co. Limited

DIVIDEND NOTICE

THE Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three-quarters per cent. (1¾%) dividend on the preferred stock of the Company for the three months ending December 31st, 1917, to shareholders of record December 21st, 1917. Also a dividend of One and Three-quarters per cent. (1¾%) and a bonus of Three per cent. (3%) on the Common stock of the Company for the three months ending December 31st, 1917 to shareholders of record December 21st, 1917.

The stock books will be closed from the 21st to the 31st of December, both days inclusive.

Checks will be mailed to shareholders on December 31st, 1917.

By order of the Board.
L. R. GRIMSHAW,
Secretary-Treasurer.
St. Catharines, December 12th, 1917.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND.

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st DECEMBER, 1917, payable JANUARY 15th, 1918, to shareholders of record December 31st.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 20th December, 1917.

ANNUAL MEETING

Bank of Nova Scotia

NOTICE is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 23rd January next, at Eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors, and for other business.

By order of the Board,
H. A. RICHARDSON,
General Manager.
Halifax, N.S., December 14th, 1917.

CONGRESS IS INVESTIGATING WAR PROFITS

Hurley Tells What is Being Done in Building of Ships

ORDNANCE DELAYED

Indications That "Red-tape" Has Been to Some Extent Responsible for Holding up Supplies of the United States Army

Special to The Financial Post.

WASHINGTON.—America's war preparations are to-day under the searching investigation of Congress. There are three separate investigations now going on in the Capitol with two more to be taken up when Congress resumes after the holidays.

Chief in interest is the investigation into the affairs of the United States Shipping Board. This investigation was called suddenly when Admiral Frederick Harris resigned as head of the Emergency Fleet Corporation after a tenure of office of but a few weeks. Admiral Harris in resigning declared that his hands had been tied and that there was a lack of authority.

Edward N. Hurley, chairman of the Shipping Board, was the first witness to be called upon by the Commerce Committee of the Senate which is conducting the investigation. Hurley's testimony brought out the fact that the progress of America's merchant marine has been considerably hampered by the fact that the United States Navy has cornered most of the shipbuilding facilities in the United States. Cross-examination was exceedingly close and confining. The chairman of the Shipping Board admitted that the situation was critical. Despite the fact of Admiral Harris' resignation he declared there was no friction in the board.

Building New Shipyards

Investigators believed they had scored when Hurley admitted that 42 contracts for ships had been given to men or companies owning no shipyards. He declared that these shipbuilders, however, had immediately begun to construct shipyards. Hurley presented a statement of the activities of his board which showed some interesting figures.

Contracts of the Emergency Fleet Corporation have been let to 110 shipyards, Hurley declared. Of these 74 have been created since January 1. In addition the Emergency Fleet Corporation has requisitioned vessels which are building in 22 shipyards, so that at present there are 132 shipyards under the control of the fleet corporation.

Since April 1 there have been 146 contracts let for 996 vessels with a tonnage of 5,517,100. Hulls have actually been completed within 64 days on the Pacific Coast, Hurley stated, and furthermore explained that the labor employed in ship construction has been increased 45.2 per cent. in the nine weeks ending December 8.

According to figures offered by Hurley 1,427 ships of 8,573,108 deadweight tons are under construction or under contract. Of these 431 ships of 3,056,000 tons were already under construction when the commandeering order went into effect on August 3. The new tonnage of steel ships ordered is represented by 599 ships of 3,965,200 deadweight tons. The wooden ships for which contracts have been let represent 379 bottoms of 1,344,900 deadweight tons and there are in addition 58 composite ships of 207,000 deadweight tons. Since the requisitioning order went into effect on August 3, forty-nine vessels of a total of 300,865 deadweight tons have been completed.

Equipment Orders

Chairman Hurley reported that companies throughout the United States manufacturing ship deck machinery and equipment for these vessels are rapidly organizing and will soon be able to meet the demands placed upon them by the shipping program.

Investigation into the conduct of the navy has been unproductive thus far. The House Committee on Naval Affairs after spending but one day in inquiry found conditions in such fine shape that they called off further probles until after the holidays.

Secretary Daniels told the investigating committee that of 108 ships of all types provided for in the three year building program begun August 29, 1916, there are but 48 vessels now uncompleted. The vessels now building include five battleships, one battle cruiser, three scout cruisers, fifteen torpedo boat destroyers, nine fleet submarines, ten coast submarines, two fuel ships, one repair ship, one transport, one destroyer tender, one ammunition ship and one gunboat.

Secretary Daniels declared that the submarine chasers built in the United States have not been a failure. He admitted that the type of these vessels is being changed but declared that he hoped the navy would continually change the type of all of its vessels in order to keep up with the trend of the times.

Big Increase in Ships

"We now have over 1,000 ships, as against 300 in commission two years ago," Secretary Daniels stated.

In evidence of the fact that the three year program which was started before the war is going to be but a small part of the program of the United States Navy during the war, Secretary Daniels startled the investigating committee by declaring that under the war program there are 428 "capital and important ships" now under construction which does not include 350 submarine chasers which are building.

More productive than the navy investigation has been the probe into the affairs of the war department conducted by the Senate Military Affairs Committee. This inquiry has shown that there has been an alarming delay in the ordnance division of the war department. General Crozier, head of the division, has admitted that "red tape" has succeeded in holding up the supplies of the United States army. It has been shown by testimony that the armies of the United States will not begin to be fully equipped with machine guns until April 1. Then there will be a steady flow of these most necessary implements of modern warfare. Heavy artillery has also been greatly impeded and it is understood that in a closed session General Crozier declared that the United States army has at the present time but three per cent. of the needed heavy artillery. Gen. Crozier has been relieved of his duties as head of the ordnance department and has been attached to the General War Council. The Senate refused to confirm his appointment to the ordnance division, although Secretary of War Baker has intimated that it had been planned to relieve General Crozier of his duties prior to the Senate investigation.

Railroad conditions are also slated for a thorough investigation. There is a considerable degree of speculation over what the outcome of this investigation will be, inasmuch as President Wilson has a plan for government control of the railroads. There are well founded rumors that Secretary William G. McAdoo of the treasury department will be named by President Wilson as the man to direct the activities of the railroads, once they begin operations under governmental supervision.

The Manufacturers' Committee of the Senate has been investigating the sugar shortage and has made but little headway. Sugar refiners and producers lay the blame for the shortage on the greatly increased consumption due to a campaign for canning and upon the railroad and freight car congestion. They declare that 1918 will see the sugar supply normal.

NEW OVERSEAS TRADE DEPARTMENT FORMED

Will Not Only Collect Information, But Will Act in Trade Matters

LONDON.—Sir Arthur Steel Maitland, who has been appointed head of the new Overseas Trade Department, outlined to representatives of the press on Thursday its organization and projected scope. Describing the new office as a joint department of the Board of Trade and the Foreign Office—a *mariage de convenance* is perhaps the aptest phrase—Sir Arthur went on to sketch its composition. It is to take in the following old departments:—(1) The Department of Commercial Intelligence of the Board of Trade. (2) The War Trade Intelligence Department of the Foreign Office. (3) The Foreign Trade Department of the Foreign Office. (4) The Consular Service and the Consular Department of the Foreign Office. This last service will not be definitely handed over to the new department until it has obtained offices adjoining the Foreign Office, but in the meantime its affairs are placed under Sir Arthur Steel Maitland personally.

The new department is to have two main divisions: (1) An overseas division, separated geographically into sub-sections; (2) an United Kingdom division, sub-divided according to trade and industry.

Sir Arthur made it clear that the Department is not only to collect information, but to take action in trade matters. Its power of action is subject to two reservations. When a piece of business becomes predominantly political, it is to be handed over to the Foreign Office, and when special subjects, such as commercial treaties, arise, they are to be put in charge of the appropriate department of the Board of Trade.

An Advisory Committee is being formed representing finance, banking, merchants, manufacturers, Chambers of Commerce, and labor, and this committee Sir Arthur intends to treat as an active "Board of Directors," whose lively assistance would be asked in tackling new problems and formulating proposals.

TIMBER INDUSTRY BOOMING IN B.C.

Expansion is, However, Reaching Its Limits Owing to Physical Difficulties

War conditions are having a favorable effect on the lumbering industry on the Pacific coast. However, the B. C. *Financial Times* expresses the opinion that the heyday of development is being reached and that much further expansion cannot be looked for because of physical handicaps:

"For ten months of the calendar year 1,309,221,177 feet of logs were cut in the province. This compares with 1,279,852,662 feet for the full calendar year of 1916, and with 991,780,200 feet for the year 1915. It is estimated that total log scale for 1917 will total 1,636,000,000 feet. Not only is this a tremendous increase in output but the value of lumber due to the insistent demand has increased considerably. The value of the output for 1915 was $29,150,000, for 1916 $35,528,000, and it is estimated that the value of the lumber output for 1917 will approximate $48,000,000.

"Notwithstanding this large output of logs the supply is not increasing. Mills are working to full capacity and in many instances are working night shifts. It is to be hoped that mild weather will continue in order that there may be no scarcity of logs in the early spring.

"One would not like to venture what the log and lumber production would have been had it not been hindered by labor troubles. Fortunately there were no strikes in the lumber industry. Loggers and mill hands are generally being paid wages in excess of 100 per cent. of what they were under pre-war conditions and still operations are hampered because of both inadequacy of supply and inefficiency of the workers. The Military Service Act is having a disturbing effect upon the industry on account of the large number of eligibles who are available for military service. The place of the Canadian boys is being taken by Austrians and eastern Europeans, who are either hostile or indifferent to the success of the Allied arms. These men receive the wages that were paid to the Canadian boys taken under the Act, which average from $3.50 to $5.00 per day, whereas the Canadian conscript will receive but $1.10 per day.

"Is it not time to consider the desirability, or ways and means to conscript alien labor in Canada, which is more and more dominating Canadian industries? This alien labor is either against the war, or neutral, yet is deriving all the profits that accrue to labor because of the war. Because of their predisposition they have little interest in increasing production and are seeking to give as little in return for their wages as possible, and still hold their jobs. They foment strikes and industrial unrest, which is nothing more or less than fighting Germany's battles in Canada. We think that with the present labor situation, which under present conditions cannot help but get steadily worse, that resort to some such expedient should not any longer be deferred."

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HIGHER RATES PAY BARE HALF OF ROADS' BILLS

Continued from page 1

fusion. Last winter we went through some complications, but conditions are much improved now."

Fall Far Below 15 Per Cent.

An analysis of the rate for one of the biggest items, grain, shows that the increase allowed will not exceed 10 per cent., while in coal it is considerably less. These specific items and others will reduce the average increase in a marked degree. The Railway War Board to which reference was made consists of Sir George Bury for the C. P. R.; the president, Howard Kelly, for the Grand Trunk; Sir William Mackenzie for the Canadian Northern; A. H. Smith, of the New York Central, which operates partly in Canada, and Mr. Hayes, general manager of the Government roads.

Comparison of Costs and Rates

While no accurate figures are available, an estimate from the last full year's report of the C. P. R., 1916, will show how far short the new rates will fail in providing for the heavily increased expenditures. In this estimate passenger traffic is set at 15 per cent. increase (it will be less in B. C.) and freight at 11 per cent. (allowing 15 per cent. for East, 10 per cent. for West, and less than 10 per cent. on wheat, coal, etc.).

Passengers, 15% of $24,690,652=$3,703,598
Freight, 11% of $89,654,405= 9,861,984
Total $13,565,582

Increased Expenditures (Since 1915)

		% Inc.
General purchases ......$	4,869,504	60.3
Fuel purchases	6,659,441	82.3
Tie purchases	695,635	47.0
Stationery purchases ...	502,340	60.0
Labor	8,973,000	18.0
Total increase $21,699,920		

The $13,000,000 increase is higher than the actual, as the passenger earnings, for instance, include those going into or coming from the United States, etc.

The Grand Trunk increases, it is understood, will show an even greater disproportion between the Railway Board's allowance of increase and the actual operating increases.

U. S. FOOD RESOURCES

Big Work Started to Take a Comprehensive Inventory

The most comprehensive inventory of food resources in the United States ever made—the war emergency food survey provided for by Congress—has begun, the first batch of the more than three-quarters of a million schedules or questionnaires having been placed in the mails. The Bureau of Markets was commissioned by the Secretary of Agriculture to carry out the big stock-taking enterprise, with the co-operation of other branches of the department. This survey will touch every dealer in food and food materials, every food manufacturer, and every holder of substantial quantities of foods in the country except the family, requiring them to report stocks which they have on hand December 31, 1917. A separate schedule will be sent to a representative number of specially selected homes throughout the country, and upon returns from these an estimate will be made for all homes.

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MONEY, BANKING AND EXCHANGE

WESTERN CITIES SHOW FURTHER IMPROVEMENT

In the East Bank Clearings Still Continue to Decline

INCREASE FOR DOMINION 3.6%

Only One City in West to Show a Falling Off—Montreal and Toronto Both Show Substantial Declines — Peterborough Shows Largest P.C.

For the week ending Thursday last, returns of bank clearings as reported to THE FINANCIAL POST show an increase over the figures for the corresponding period in 1916 of $7,642,576 or 3.6 per cent. but as compared with the previous week there is a falling off of $22,711,410. In the East there is a decline of $5,293,764 or 3.5 per cent. Montreal clearings at $68,158,793 are $1,548,734 less than the previous week, while Toronto is less by $9,660,677 than the figures for the previous week. Peterboro shows the largest percentage gain of 95.9. Western cities show a decided improvement, there being a gain of 21.0 per cent. over last year's figures Winnipeg showed a gain of $6,162,306 or 16.0 per cent. while the cities to show the largest percentage gains are Calgary 53.1, New Westminster 46.6 Edmonton 46.2 and Vancouver 32.3 per cent., Victoria being the only city in the West to show a decrease. For the year to date the gain is 17.7 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities

	Dec. 27, 1917.	Change.	%
Montreal	$ 68,158,793—	$ 4,926,314	6.7
Toronto	51,634,390—	2,869,470	5.2
Ottawa	6,209,262+	1,048,773	20.3
Hamilton	4,501,397+	51,079	1.1
Quebec	3,851,199+	228,091	6.3
Halifax	2,989,840+	461,128	18.3
London	2,149,568+	283,401	15.2
St. John	1,701,264—	35,010	2.0
Brantford	776,958—	109,209	12.4
Peterboro	923,049+	451,031	95.9
Sherbrooke	610,617—	22,900	3.6
Kitchener	585,663+	145,636	33.1
Total, East	$144,092,000—	$ 5,293,764	3.5

Western Cities

	Dec. 27, 1917.	Change.	%
Winnipeg	$ 44,622,147+	$ 6,162,306	16.0
Vancouver	8,248,519+	2,017,827	32.3
Calgary	7,066,364+	2,450,852	53.1
Edmonton	3,600,889+	1,137,077	46.2
Victoria	1,865,355—	91,653	4.6
Regina	3,415,739+	567,653	19.9
Saskatoon	1,811,414+	69,157	3.9
Moose Jaw	1,424,882+	329,886	30.2
Brandon	660,729+	47,304	7.7
Lethbridge	795,866+	28,588	3.7
N. Westm'ster.	387,250+	121,421	46.6
Medicine Hat	567,256+	96,028	20.4
Total, West	$ 74,466,310+	$ 12,936,340	21.0
Grand total	$218,558,310+	$ 7,642,576	3.6
Yr. to date	$12,545,981,559+	$1,877,171,880	17.7

U.S. BANK CLEARINGS

Bank clearings in the United States for the week ending December 20 aggregate $6,431,959,000, against $5,943,470,000 last week and $6,418,981,000 in this week last year, an increase of .2 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:—

(000's omitted)

	Dec. 20	I. or D.	Dec. 13
New York	$3,579,216	D 11.7	$3,313,194
Chicago	515,868	I 7.0	456,658
Philadelphia	392,859	I 21.9	343,126
Boston	302,185	I 24.5	287,827
St. Louis	164,893	1 30.4	143,915
Kansas City	203,914	I 66.7	183,282
S. Francisco	113,053	I 25.0	101,523
Pittsburgh	76,913	D .6	65,471
Cleveland	88,921	I 40.2	69,276
Detroit	57,859	D 2.5	51,246
Baltimore	46,406	D 3.3	42,059
Cincinnati	38,110	I .1	34,784
Minneapolis	35,368	I 3.6	35,116
New Orleans	54,451	1 37.5	57,406
Los Angeles	29,268	D 2.3	29,201
Omaha	42,750	I 44.3	42,897
Milwaukee	28,525	I 23.6	27,472
Atlanta	56,218	I 92.1	57,547
Louisville	23,853	I 5.1	23,482
Richmond	43,269	I 75.2	44,215
Buffalo	18,595	D .7	19,317
Seattle	25,084	I 35.7	27,178
St. Paul	17,696	I 9.4	17,910

MONEY

Call money in New York continues to rule at 6 per cent. Time money is also firm, with 60-day, 90-day and six months' loans at 5¾ to 6 per cent. Offerings are reported to be very scarce, with the inquiry rather moderate and business light. Banks at the larger centres have plenty of funds, it is said, to meet all legitimate requirements, but there appears to be little demand from industrial concerns for accommodation. There is little indication that with the turn of the year the money market will show any perceptible stiffening, at least not until the time arrives for the bringing out of the next Liberty Loan.

EXCHANGE

There has been little movement in European exchange this week. Demand opened at 4.75⅛, climbed to 4.75175, and then fell back to 4.75⅛ again. Cables were unchanged.

Francs opened at 5.74 for cheques and 5.71½ for cables, advanced to 5.73¼ and 5.71⅛, and receded to 5.73¾ and 5.71 9/16.

Roubles opened at 12.50 for cheques and 13.00 for cables, and advanced during the week to 13.00 and 13.25, being quoted yesterday at 13.00 and 13.20.

New York funds were quoted at 15/32 premium last Friday, but softened about Wednesday to 13/32 to the buyer. Strength again developed on Thursday, while yesterday funds were strong at 15/32 to the seller, some transactions going through in Montreal at ½. The firmness is attributable to the usual end of the year requirements of municipalities and corporations for funds to meet interest and dividend payments in the United States and Great Britain.

TORONTO

John R. Lamb, who for nearly three years past has held the position of Superintendent of Branches and Western Superintendent of the Bank of Toronto, has been appointed Assistant General Manager of the Bank.

IMPERIAL

The regular quarterly dividend of 3 per cent. has been declared on Imperial Bank shares, payable Feb. 1 to stock of record Jan. 16.

ROYAL

Miss Kathleen Coughlin of the Fort William branch of the Royal Bank, has been appointed teller in the branch at Port Arthur.

J. R. Bruce, agent of the Royal Bank of Canada in New York, has been appointed by the Food Controller to represent Canada's interests before the International Sugar Commission which is now sitting at 111 Wall Street, New York City.

UNION

J. W. Ryan, manager of the Union Bank at Fort William, has been transferred to the branch at St. John, N.B., as manager and will assume his duties at that point on January 15.

George J. Hunter has been appointed manager of the bank at Fort William.

BANK OF ENGLAND

The weekly statement of the Bank of England shows the following changes:

Total reserve, decreased	£ 141,000
Circulation, increased	906,000
Bullion, increased	764,794
Other securities, decreased.	225,000
Public deposits, increased.	5,083,000
Other deposits, decreased.	4,966,000
Notes reserve, decreased	70,000
Gov't. securities, increased.	453,000

The proportion of the bank's reserve to liability this week is 18.56 per cent. Last week it was 18.66 per cent.

SAVINGS IN U. S.

National Banks Indicate Greatest Resources in Country's History

The resources of the United States national banks in the reserve and central reserve cities on November 20, amounted to $10,505,000,000, exceeding by $1,408,000,000 the greatest resources ever previously shown, and were greater than those of November 17, 1916, by $1,885,000,000.

Aggregate deposits of the national banks in reserve and central reserve cities amounted, on November 20, to $8.593,000,000, an increase over the call of September 11 of $1,087,000,000, and an increase over May, 1917, the greatest heretofore reported, of $1.023.000,000. The increase over November 17, 1916, was $1,336,000,000.

The increase in deposits in the three central reserve cities of New York, Chicago and St. Louis, as compared with September 11, 1917, was $640,000,000, of which increase $577,000,000 was in New York City.

Forty-three out of 54 other reserve cities show an increase in deposits, and only 11 cities show a reduction. The total increase in deposits in the 43 other reserve cities which showed increases amounted to $477.000 000.

Compilation of the country bank reports has not yet been finished, but of the six states whose reports have been completed, all but one show materially increased deposits, including Louisiana, with an increase of $15.000,000, and North Carolina with an increase of $22.000.000.

Loans and discounts in reserve and central reserve cities November 20. were $5.356 000.000, an increase as compared with September 11, of $266,000.000, and an increase over November 17, 1916, of $655,000,000.

On November 20 loans and discounts in reserve and central reserve cities amounted to 51% of total resources, as compared with a ratio of loans and discounts to resources of 58% on November 17, 1916.

Increases in deposits and loans here shown are largely due to transactions relating to the second Liberty Loan.

THE FAMINE IN PENNIES

Shortage is Peculiar in View of Much Larger Coinage

The famine in pennies recently reported from various parts of the United States is the more surprising in view of the fact that the government coinage of one-cent pieces has been much larger in recent years than in any earlier period of the history of the country. A compilation by the National City Bank shows that more than one billion one-cent coins had been manufactured by the government and distributed to the people during the last dozen years. In fact the outturn of one-cent pieces in the last decade forms one-third of the total since the beginning of our present form of government.

The bank's statement on this subject shows that the number of one-cent coins manufactured by the mints of the United States from 1793 to the end of the fiscal year 1916 was 2,804,000,000, while the number issued in the last decade alone is, in round numbers, one billion. Even in the single fiscal year 1916 the number of one-cent pieces coined was 101,230,317, while in the high record year 1910 the total number turned out was 152,846,218. The number of pieces coined never touched the 100,000,000 line prior to 1907, the total for that year being 108,138,618; and the annual average since that time has been nearly 100,000.000 per year.

GERMANY IN TURKEY

Determined and Adroit Efforts of Teutons to Get Trade

Methods used by German business in its commercial penetration of Turkey are described and criticised in a bulletin entitled "Turkish Markets for American Hardware," issued recently by the Bureau of Foreign and Domestic Commerce, Department of Commerce.

German endeavors in this field, says the report, have been determined and adroit. Systematic dumping, extensive imitation of patented American articles, and a persistent and carefully organized solicitation of the trade have been salient features in the German campaign to dominate the Turkish markets and link them firmly to the industrial activities of the Teutonic nations.

As is the case with various other important lines, American hardware has not as a rule been sold directly to the Turkish distributor. In normal times it is sold through a few firms in Hamburg and Bremen. These concerns have houses in New York, but it is erroneous to consider them as American export organizations. They are German jobbers, working according to German methods and for German interests. They slip American articles to Turkey only if they can not be replaced on the same terms by German articles. Under such conditions it is an easy matter to market imitations of American goods, and the Germans are master imitators, according to the author of the Government report, Consul-General G. B. Ravndal formerly at Constantinople. Sometimes their catalogues show American articles on one page and the German imitation on the opposite page, with the advantages of price, quick delivery, etc., of the German goods conspicuously indicated.

These imitations are very close. proceeding even to the brand and name of the article, and there is always a reduction in price. That the Germans keep the American article in the catalogues at all must be ascribed to the fact that there are people in Turkey who appreciate the excellence of the American product, in spite of all manipulations and deceptions, and insist on having what they want.

It is surprising to learn that in spite of conditions under which it is sold in Turkey, American hardware had gained an important position before the war, solely on its merits. It may be surprising even to American manufacturers, many of whom are probably unaware that their goods are sold there at all. Of all the shelf hardware sold in Turkey, fully 60 per cent. is sold as American. and 20 per cent. of it actually is American. The holding of 20 per cent. of a country's business in a given line without the least effort to obtain it is a fact that commends itself to the careful consideration of all those whose wares are involved. The possibilities to which such conditions point when the war is over are fully discussed in the report.

The author has outlined practical methods of getting around the old difficulties in the way of selling directly to Turkey, once the war is over, and he has described the demand for the various articles in detail.

HALF BILLION DIVIDENDS.

Paid By Standard Oil Companies in Five Years.

More than $484,363,000 has been paid in cash dividends by Standard Oil Companies since 1912, the first year of independent operation of the companies, following the dissolution of the old Standard Oil Company of New Jersey. In the same period $235,700,000 has been paid in stock dividends. Rights to subscribe to new stock have had a value of $41,400,000.

With dividends payments in cash of close to half a million in six years, an amount equal to almost five times the $100,000,000 capital of the Standard Oil Company of New Jersey, has been paid out.

THE ROYAL BANK OF CANADA

INCORPORATED 1869

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Capital Paid Up	12,911,700
Reserve and Undivided Profits,	14,564,000
Total Assets	335,000,000

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TORONTO BRANCH - - - - - - - - 59 YONGE ST
BRUCE L. SMITH - - - Manager

The Standard Trusts Company

Dividend Number 27

NOTICE is hereby given that a dividend at the rate of 9% per annum upon the paid up capital stock of the Company has been declared for the half year ending December 31st, 1917, and that same will be payable at the offices of the Company on and after January 2nd, 1918.

The Stock transfer books will be closed from the 16th to the 31st of December, both days inclusive.

By order of the Board,
WILLIAM HARVEY,
Managing Director.

Winnipeg, Man., Dec. 1st, 1917.

The most important document a person of large or small means is called on to prepare is his

LAST WILL AND TESTAMENT

It means the happiness and welfare of those most dear.
Ask for booklet: "Make Your Will."

CAPITAL ISSUED AND SUBSCRIBED	$1,171,700.00
PAID-UP CAPITAL AND RESERVE	860,225.00

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

HEAD OFFICE: WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

Mercantile Trust Company of Canada
LIMITED
Hamilton, - - - Canada

Acts as Executor, Administrator and Trustee. Administers Real Estate.

We have special facilities for handling property in the Niagara Peninsula.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

THE EMPIRE LOAN COMPANY, Winnipeg, Man.

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Deserving Benevolent Institutions need the incomes provided by the investment of principal sums as Endowments or Trust Funds. We gladly consult with philanthropic persons as to the establishment of a Trust Foundation for Charitable, Religious or Educational Institutions. We are authorized to act as Trustee for such Funds.

THE
TORONTO GENERAL TRUSTS CORPORATION

Capital and Reserve $3,350,000.00
Head Office: 83 Bay St. TORONTO

NEWS AND VIEWS FOR MANAGERS

SHOULD BRANCH MANAGERS TAKE UP SIDE LINES?

An Argument in Favor of Banking For Bankers

THE YOUNG RETAILER

Some Points Which May Effectively Be Emphasized to the Merchant Who Wants Bank to Take Big Risks

Successful bank managers, and particularly those in the smaller business centres where they have to deal with people of the agricultural community, cannot fill too wide a place in the social and business life. This is a conviction born of the experiences of bankers who have built up their branches. But it would be well in this connection to draw a line of distinction between what might be termed outside interest and outside interests. In other words there is a great difference between developing the personal element with the bank's customers and prospects through a broad activity in the affairs of the community and participating in that broad field in a business way. Some of the managers of the older school may still have the idea that it is their prerogative to dabble in side lines and thus increase their income. However, there is a strong and growing feeling against such practice in head office—and that is not the only objection.

A manager, who during the past seven years has been building up a very nice business in a solid rather than thriving country town, largely through developing a strong personal connection with the farmers of the district, tells me emphatically that he does not believe that "side lines" are good for the bank. He at once warmed to the subject when I happened to ask him if he attended the auction sales in the neighborhood and if he ever acted as clerk.

"I attend the sales," he replied "but I never act as clerk. I think that a manager should do everything he can to get better acquainted with the people with whom he has, or may hope to have, dealings but I do not think that a banker should be anything but a banker in actual practice although he may through his experience be a great many other things in theory."

"I do not think that a banker should sell insurance or act as an agent for any outside business organization." he continued, and I found that as his arguments developed that it was not a case of believing that the manager should devote his time to his work but that he was convinced that when he developed side interests he did harm to the bank's interests.

"Now if I act as clerk at a sale," he said, "someone else is being cut out of a job. It is usually recognized that a clerk should be paid in the ordinary course of events. If I were to act I would cut someone out of this little perquisite. And it is not so much that this man might be able to do the bank's interests harm himself but the people are likely to think that you are going too far. So it is with selling life insurance or acting as an agent for pianos or any other side line. The banker is then encoaching on the fields of others and I have found in my experience that there is no necessity for doing this and that the bank's interests require all the attention we can give them."

The Young Retailer

"There is no account which requires more careful attention than that of the young retailer if a bank wants to get business from the town stores," remarked a manager with whom I was discussing this phase of his business. I was asking him as to the element of failure to be guarded against. "Lack of business knowledge and shortage of capital," was the way he summed it up. "But one may counterbalance the other," he continued. "If a man has a thorough knowledge of his business he can get along with less capital of his own, but my experience has been that even where a man may know the technical end of conducting his store he will often be lacking in business acumen. The result is that he is inclined to get too much on credit and this increases his overhead expense."

"On the point as to whether there were many complaints from retailers about the treatment of the bank this manager said that those who kicked were usually the merchants with small business experience who did not understand the function of a bank and that the duty of the manager was to make well secured loans and not gamble on the business itself—much depended on the man. Some merchants would have the bank taking the risk of the success of the enterprise and this was something which would not be fair to those whose money is entrusted to the bank for investment. If investors wanted to take risks they could themselves go into business and take the chance of the big profits. This was the way he explained the bank's functions to the customers and he said that it was only the merchants without experience—the poor risks in fact—who did not appreciate the position of the bank and the banker.—J.W.T.

IS THE BI-METALLIC STANDARD COMING?

Conditions Said Now to be Ripe for Establishment On An International Basis

The world—that is, the world outside the Teutonic Powers—may be able to establish a double standard of money based on gold and silver, instead of gold alone, as the result of war conditions, says the New York *Financial World*, in fact, the scarcity of gold may force the adoption of the bi-metallic standard, the dream of William Jennings Bryan and the "free" silver champions who stirred the country and the world to its depths by their agitation in 1890 to 1896.

What would have proven a disaster to the country and the world in Bryan's time may be looked upon in altogether a different light now. The 16-to-1 scheme at that time was absolutely impracticable owing to the extremely low price of silver and the lack of harmony among the nations on the subject. Remonetizing silver would have been a rich subsidy to the silver mine owners of Colorado and the rest of the world and have caused unparalleled fall in values of property and securities had the dilution of gold standard been permitted. The country rose against it and repudiated Bryan and all the silver men and 20 years later, until now, when the war is playing such sad pranks with economics, the question has lain dormant.

The condition of the silver market is such now that a price of $1 or better per ounce for silver could be maintained if silver were put alongside gold to support the currency of the world. If the double standard system of money were adopted by the leading powers it would provide for the tremendous expansion of credit of the world. as at present represented by our Allies and neutral governments. The gold standard is inadequate to meet all the trade exchanges and international credits and a double standard. it is believed, would relieve the situation considerably and permit. perhaps, of the issuance of an international currency. based on both gold and silver, which would greatly aid in simplifying international monetary and exchange conditions.

A league of all the Allies, the neutrals of Europe and all the countries of the North and South America, for the establishment of a bi-metallic standard, is worthy of the most serious consideration. It might be limited to the duration of the world war or subject to revision after the war, but that the subject is one that is pressing for prompt settlement is unquestioned. Its adoption, in our opinion, would result in none of the grave results so greatly and rightly feared at the time of the Bryanesque plan, since at that time the two metals were so far apart in value that the 16-to-1 scheme was nothing but a chimera. Now they are more on equality and 16-to-1 would work, since no fiat of any international agreement would be necessary to adjust the two metals on that basis. A currency based on them would be a vast convenience, would alter no property values and be accepted with confidence by all the peoples involved.

It would be supreme folly for the world to attempt to delude itself with the dream of its ability to maintain the vast flood of paper money now in existence, on a single, gold standard basis. It is impossible. It is realized now that at the present rate of production in the next ten years the silver mines of the world could not produce enough silver to fill current commercial needs and fill the demand for its use as coin, hence it is not impossible for a situation to arise in the next few years where the 16-to-1 parity between gold and silver will be passed and 16 ounces of silver will be worth more than one ounce of gold.

All Michigan industries, except those making war munitions, have been asked by Fuel Administrator Prudden to suspend operations for the week ending at midnight December 29, on account of scarcity of coal supplies.

LIGHTER SIDE OF EXPERIENCES IN RURAL BANK

An American Banker Who Tries to be All Things to All Men

SOME GOOD POINTERS

A Mixture of Facts and Fun But Some of the Former Are Valuable to the Manager Who Would Give Service

By F. E. MUNSILL

A Kansas Banker, in Forbes' Magazine

A country banker must be all things to all men. He must be general information bureau, lawyer, friend, family confidant, general counselor, community back-stop, all-round booster.

Sometimes he is even asked to act as matrimonial agent. A young fellow came into my office one day, towed me confidentially into the back room, and after several embarrassed starts, made it known that he wanted me to write a proposal for him. I tackled the job, got him the girl he wanted and, incidentally, a fifty-cent fee. A cheap enough wife, I thought.

It is this personal element in country banking that is its most distinctive feature. The country banker must know everybody in his town and in the adjacent territory. Also, he must know everybody's business. I think one of the best compliments I ever received was from a farmer who had done business with me for twenty years. He stood waiting one day when I chanced to be very busy. When his turn came he said:

"I don't see how you do it."

"Do what?" I asked.

"Well, I've been watching you for some time. You seem to know everybody's business as well as you do mine, and I know you know mine as well as I do myself, maybe better."

A Janitorial President

City bankers are apt to think us slow. A dapper young fellow from a city bank came into my office one morning before banking hours. Our janitor had gone back on us, a not uncommon occurrence, and I was sweeping out.

"Are any of the officers of the bank about?" he asked.

"The janitor seems to be," I grinned.

"I would like to see the president." Evidently his dignity was offended.

"The bank will be open for business at nine," I told him. "If you come back then you can see him."

He came back, and for a minute he seemed paralyzed to recognize in me the janitor of an hour before. Then he became bumptious. I stood it as long as I could, then read him a lecture.

"Son," I said, "you have jumped to the conclusion that because you found me sweeping out my own office you could bluff me. I did that because, being a real American, I am not ashamed to turn my hand to anything that needs to be done. If you are ready to talk business to me in a gentlemanly manner, go to it. I'll meet you half way."

That cleared his vision, and we did business.

Because of the intimate personal relationships of country banking we uncover some queer quirks in human nature. A customer of ours, a tailor, came into the office one day and caught me wearing a coat that he had not made for me. He immediately transferred his account to the bank across the street. A few days later my cashier saw him and asked him what was the matter. The tailor told him.

"Don't you suppose the Old Man has other customers to jolly along as well as you?" asked the cashier.

That was a new thought to the irate tailor, and he soon brought back his account.

An Irate Grocer

I made out the papers for the transfer of property to a young man who delivered for a certain grocery in town. I computed the interest semi-annually, as we always did in such transactions, and he concluded I was trying to cheat him. To get even he charged my wife up with four dollars' worth of groceries that she had not ordered, making out the delivery check himself and filing them in the usual way. My wife insisted that she had never received the groceries, but the proprietor insisted that there could be no mistake, so, to save trouble, she paid the bill. Some two years later the young man came to see her, confes-

Continued on page 11.

THE CANADIAN BANK OF COMMERCE

Statement of the result of the business of the Bank for the year ending 30th November, 1917

Balance at credit of Profit and Loss Account brought forward from last year ..		$ 802,319 09
Net Profits for the year ending 30th November, after providing for all bad and doubtful debts		2,637,555 43
		$ 3,439,874 52
This has been appropriated as follows:		
Dividends Nos. 120, 121, 122 and 123 at ten per cent. per annum		$ 1,500,000 00
Bonus of one per cent. payable 1st June		150,000 00
do do do 1st December		150,000 00
War tax on bank-note circulation to 30th November		150,000 00
Transferred to Pension Fund		85,000 00
Subscriptions:		
Canadian Patriotic Fund	$50,000 00	
British Red Cross Fund	7,500 00	
British Sailors' Relief Fund (Canada)	5,000 00	
Sundry subscriptions	10,300 00	
		72,800 00
Balance carried forward		1,332,074 52
		$ 3,439,874 52

GENERAL STATEMENT

30th NOVEMBER, 1917

LIABILITIES

To the Public—		
Notes of the Bank in circulation		$ 23,995,244 68
Deposits not bearing interest	$ 86,458,403 02	
Deposits bearing interest, including interest accrued to date ..	189,967,251 39	
		276,425,654 41
Balances due to other Banks in Canada		580,958 01
Balances due to Banks and Banking Correspondents elsewhere than in Canada.		7,295,110 40
Bills Payable		120,857 29
Acceptances under Letters of Credit		5,597,665 13
		$ 314,015,489 92
To the Shareholders—		
Dividends Unpaid		2,668 20
Dividend No. 123 and bonus, payable 1st December		525,000 00
Capital Paid up	$ 15,000,000 00	
Rest Account	13,500,000 00	
Balance of Profits as per Profit and Loss Account	1,332,074 52	
		29,832,074 52
		$ 344,375,232 64

ASSETS

Gold and Silver Coin Current	$ 22,697,336 96	
Dominion Notes	21,954,910 25	
Deposit in the Central Gold Reserve	10,000,000 00	
		$ 54,652,247 21
Notes of other Banks	$ 2,004,762 00	
Cheques on other Banks	11,930,875 21	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	8,496,103 99	
		22,431,741 20
Dominion and Provincial Government Securities, not exceeding market value..		27,596,420 22
British, Foreign and Colonial Public Securities and Canadian Municipal Securities		22,095,133 29
Railway and other Bonds, Debentures and Stocks, not exceeding market value		6,192,461 60
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks		13,460,862 62
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada		20,076,903 18
Deposit with the Minister of Finance for the purposes of the Circulation Fund..		831,173 35
		$ 167,336,942 67
Other Current Loans and Discounts in Canada (less rebate of interest)		149,822,028 44
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		14,846,130 56
Liabilities of Customers under Letters of Credit, as per contra		5,597,665 13
Overdue Debts (estimated loss provided for)		237,796 39
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank)	$ 1,236,999 52	
Less mortgage assumed	100,000 00	
		1,136,999 52
Mortgages on Real Estate sold by the Bank		196,005 81
Bank Premises at cost, less amounts written off	$ 5,390,075 44	
Less mortgage assumed on property purchased	300,000 00	
		5,090,075 44
Other Assets not included in the foregoing		111,588 68
		$ 344,375,232 64

B. E. WALKER
PRESIDENT

JOHN AIRD
GENERAL MANAGER

Report of the Auditors to the Shareholders of The Canadian Bank of Commerce

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than, and in addition to, the verification at 30th November, 1917, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C. A.
of Webb, Read, Hegan, Callingham & Co.
JAMES MARWICK, C. A.
of Marwick, Mitchell, Peat & Co.
AUDITORS.

DELIVERING AUTOS

American Manufacturers Use Gasoline and Save Freight

Detroit, the largest automobile center in America, has produced a new profession, says *The Wall Street Journal*. It is known as "night driving." A bonded man, to whom all the roads are well known, contracts with the large automobile concerns to deliver their machines overland. After landing a contract he hires a chauffeur for every machine. Both men and women chauffeurs are employed. For, when the United States entered the war, the manufacturers in a patriotic endeavor to aid the government, offered to employ women chauffeurs, thereby releasing the men for service abroad, it was found that not only were the women as capable as the men, but in many cases, owing to their carefulness, they did the work better. Each machine to be delivered is well padded and covered with canvas. The drivers start off at night, when the roads are free of traffic. Some of the processions are strung out for a mile or more, and with their canvas coverings greatly resemble a caravan. The bonded man leads with a trusted assistant bringing up the rear to see that none of the drivers turn off into a side road "to make repairs." They generally reach their destination by morning, although some of the trips take two or three days. Upon their arrival the canvas is removed and new tires are attached. The car is then considered as good as new. The spare tires and canvas are returned to the factory by train.

THE FINANCIAL POST OF CANADA

President - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - - H. T. HUNTER
Manager - - - - - - - - - R. G. DINGMAN

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may demand.

ADVERTISING RATES:

Single insertion	$ 1.75 per inch
Yearly insertion	50.00 per inch
Financial Reports, Debenture Notices, etc., 15 cents per agate line.	

SUBSCRIPTION PRICE:

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United States	3.50 per annum
Great Britain, Ireland and Colonies having minimum postal rates	12s. 6d.
France and other Countries	16s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

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Toronto, December 29, 1917.

THE MINISTRY OF TRADE

THE FINANCIAL POST has frequently said that Sir George Foster, Minister of Trade, was one of the most popular men in the national life of the country, and we said we hoped he would live long to represent North Toronto. His majority of 14,000 proves it, but it does not prove that he is the right man for Minister of Trade and Commerce. Sir George is a great speaker. No better man as a Government mouthpiece is in sight. Such a man is needed at this time and he should be given an honorary portfolio at a generous salary. It is of the very greatest importance that a real business man be put in charge of the Trade and Commerce Department.

A TIP FOR THE PAPER CONTROLLER

AS a result of the paper investigation in the United States, the Federal Trade Commission requires manufacturers and publishers to report monthly on conditions in the industry, giving comparative figures of production, consumption and sales.

As was to be expected both interests at first strongly opposed giving this information. Few persons are willing to adopt any variations from long established habits. Two or three months' experience, however, is proving, particularly to the manufacturers, that the movement is a good one in their own interest. It tends to stabilize prices, and standardize customs and qualities.

There is no reason why all industries should not have authentic statistics of the production, sales and movements of the product just as we have in the case of wheat or any other standard product.

Canada has no trade commission, but it has a paper controller and adoption by him of similar reports would enable him to perform his duties much more efficiently.

A NATIONAL OBLIGATION

THE Halifax disaster has imposed upon Canada a heavy national obligation. The people who lost their lives and those left dependent as well as those who had property destroyed were just as much war sufferers as though they had stood in the path of the German machine. If it is necessary that such risks be taken in the conduct of the campaign then the nation must shoulder the responsibility. If it cannot protect the property and lives of the people it must at least be ready to make recompense.

THE FINANCIAL POST is of the opinion that the government should make good the losses of Halifax's citizens. The burden should be borne by the Canadian people just as the other burdens of the war. Unfortunately life cannot be restored but the living who have suffered because of the dead should be taken care of. Then property losses should be made good. The insurance companies cannot be looked for to bear such a burden when it is doubtful if they are even technically responsible; they cannot be asked to pay for destruction by fire of property already destroyed by the explosion. Furthermore there were many properties unprotected or only partly covered.

PUBLIC OWNERSHIP WORKMEN SLEEP

THE United States Senate Committee on Military Affairs was not satisfied with the way things were going at the Government arsenals conducted under public ownership. They Called in an expert, Fred H. Colvin, editor of the technical newspaper, *The American Machinist*. He gave some very interesting evidence. His evidence created a great sensation and is leading to a complete reorganization of the arsenals and the War Office officialdom responsible for conditions.

Workmen in arms manufacturing plants played checkers and slept in the shops during August, while the War Department quibbled over non-essential details of rifle designs.

A super-preciseness of requirement in rifle making, going even to the extent of 1-2000th exactness in bayonets, is holding down production 40 per cent., he said.

Mr. Colvin declared the Government arsenals at Springfield, Mass., and Rock Island, Ill., do not understand manufacturing principles and have antiquated machinery. Some of the machinery at the Springfield arsenal is fifty years old.

He charged that "an excessive nicety of requirement" in unimportant parts of rifles held up rifle production "tremendously."

The bayonet is only a butcher knife and a sixteenth of an inch would not make any difference," he said, "yet a variation of 1-2000 is sufficient cause for rejection."

"I have photographs taken of men in the Winchester factory playing checkers last August," he said further. "Details of manufacturing had not been decided upon by the War Department. The one great weakness was that everyone hesitated to take the responsibility in deciding these details."

"Were all the men playing checkers?" asked Senator Hitchcock, of Nebraska.

"No; some were sleeping," Mr. Colvin answered.

That the dilatory tactics of the Ordnance Department will prevent first delivery of the Browning machine guns until a full year after the entrance of the United States into the war was again emphasized by the next witness.

General Crozier, the United States Chief of Ordnance, gave orders that Mr. Colvin should be barred from inspecting arsenals because he insisted that expert machinists and not army officers should be in charge.

This experience shows what happens under public ownership. It also exposes the stupid antipathy that prevails among public officials against business and technical papers. Sir George Foster, Minister of Trade, voted to put Canadian technical newspapers out of business. Hon. Mr. Burrell, late Minister of Agriculture, supported a movement that would tax farm papers out of business. Even Mr. Murray, the Secretary of the Canadian Manufacturers' Association, after recommending every medium of publicity for Canadian manufacturers, from buttons to billboards, deliberately eliminated all reference to the business press.

When the manufacturers wanted to know how to make munitions it was not to the buttons or billboards but to the technical newspapers they applied. The Trade and Commerce department was helpless. The Manufacturers' Association did absolutely nothing for them. Not only did the newspaper *Canadian Machinery* show in a series of illustrated articles, how to adapt Canadian plants for munitions but they secured the blue prints and specifications for French and Russian shells so that their readers could and did tender on them.

JUSTICE AND TEMPERANCE

CONGRATULATIONS are due the government for the prompt and decisive action which has been taken with regard to liquor legislation in Canada. Not only is there evident a desire to conserve all national resources to the great end but there is an impression that the new government is not one of half-way measures.

If the wiping out of the liquor traffic will improve national war-time efficiency—and the argument has the weight of evidence—then the liquor traffic should go. At the same time it should be recognized that in doing this national good there may be individual harm. The manufacture and sale of liquors has been recognized by the country as a legitimate business; in fact those who have participated in it have paid heavily in taxes for the right. If the government now decides that the assets of the people who have built up this business are to be destroyed for the good of the majority then those who suffer should receive recompense.

The fact that there happens to be a moral issue involved does not dispose of the government's business responsibility.

CONSCRIPTION OF WEALTH

THE expression "conscription of wealth" is one of the most popular which has ever been coined for the delectation of the masses. Just what it means is very indefinite. The idea of seizing upon the wealth of a certain class of society to pay for the war is very popular with the people who believe by this means that their neighbors could be made to shoulder their burdens. But these people seem to overlook the fact that practically all wealth is invested; that when a man puts money in the bank it does not stay there but that it is loaned and made to produce—hence interest. We have yet to hear a clear definition of what those who advocate conscription of wealth actually mean. However, for those who have given thought to the matter there may be some interest in the following views by one who quite evidently opposes anything like indiscriminate confiscation: (He writes to the editor of *The Economist*):

> The call for "conscription of wealth" and "levies on capital" is the cry of the unthrifty, the selfish, and the mean. There are, roughly speaking, two sections of the community; one, the smaller and thrifty, which by its saving and industrious habits has accumulated large masses of capital; the other, much the larger, and the unthrifty section, which has elected to spend up to the limit of its income. Then the great burden consequent upon the war falls on the country, and at once the unthrifty section sees a splendid opportunity of transferring a considerable part of its share of the burden to the thrifty section by pressing for a partial confiscation of the latter's accumulated capital.
>
> The burden of the war debt is one which should be borne by all classes and all individuals of the community in equitable proportions, and the only fair and honest method of accomplishing this is by a properly conceived and adjusted system of taxation. Attempts to confiscate capital would lead to a collapse of confidence, and consequent diminution of saving, which would be more damaging to the prosperity of the country than even the failure to achieve victory in the war.

EDITORIAL NOTES

BRITISH Columbia farmers are arguing that there should be no more tax on farm buildings than upon farm machinery—that the buildings are part of the farm equipment and that a tax on equipment is a deterrent of productive efficiency. Looks very much like the old single tax argument in a little different make-up.

* * *

THE United States has recently made a departure in connection with war contracts in that reasonable advances are being made to manufacturers. Until this course was decided upon responsible firms had difficulty in starting new contracts and financial aid was necessarily sought from bankers. The course now being followed is similar to that adopted in England. Ottawa might well consider Washington's example.

* * *

IN talking thrift to the American people, Frank A. Vanderlip makes the practical point that not only does a dollar saved and invested in government securities mean a dollar more for the government but the fact that that dollar is not spent for some product of the luxurious class means that the manufacturing facilities are cleared to that extent for the needs of the nation.

FROM NEWS BOY TO MILLIONAIRE

Henry L. Doherty Was Always Looking For Something Harder to Do and Has Not Yet Found Anything Too Difficult

There is a young man in the public utility business worth millions to-day who sold papers on the streets of Columbus, Ohio, not so many years ago—Henry L. Doherty. There are several reasons to account for his spectacular rise but Doherty himself puts it down to will power and lets it go at that. A biographer, H. Thompson Rich, in the American Magazine, says that his success can be summed up by reference to the fact that he is always looking for something harder to do. As soon as something harder looms up he drops the work he is on and goes at the difficult task. Mr. Rich writes:

Although to-day one of the great men of finance, and probably the very greatest in building and operating American public utilities, Doherty started life humbly. At twelve, he was a newsboy. At twenty, he was a gas engineer. At twenty-five, he was manager of a public utility plant. At twenty-seven, he was manager of a syndicate of such properties. At thirty-four, he was head of a concern of his own. At forty, he controlled an immense corporation and was really an extraordinary scientist, and at forty-seven, he is one of the few real powers on Wall Street, controlling two hundred gas and electric companies reaching nearly every state in the Union, and having oil holdings the second largest in America.

Step by step he has risen. From an obscure boy, by push and grit, he has become a man of international importance. How did he do it? What is the secret power? Doherty says he doesn't know; but talk with men who have watched him fight his way to the top of the heap, and they will tell you that one of the reasons for Doherty's success is his love for "cracking a tough nut." "As soon as a job becomes easy," says one man, "Doherty's interest lessens. All the fun has gone from that job, and Doherty begins seeking another difficult piece of work. You know, you can't keep a man down who is always looking for something hard to do."

Doherty has cultivated the habit of trying to think straight and clear and without prejudice. That habit has now become second nature. When he wants to solve a problem, he frees his mind from everything but the one thought. Then he concentrates until it works out.

For years, one of the biggest problems connected with the gas industry was how to lay pipes past a sewer or other obstruction without making a trap for water, which would obstruct the free flow of the gas. Various expert engineers had attempted to solve the problem, but they had all given it up in despair—when along came Doherty, still in his teens, and devised the solution, a simple and practical method which is now in universal employ; namely, the use of separate pipes, one above the obstruction to carry the gas, and a small one below the obstruction to carry the water. Easy? Yes, but the experts had stumbled all around it, because they hadn't thought straight and clear.

One of Mr. Doherty's strongest convictions is that worry kills more men than overwork. He believes a man can stand any amount of work, provided he makes a pleasure of it.

In July of 1913, when Wall Street was temporarily upside down, there was a conference of large interests one morning. Henry L. Doherty was present. The occasion was marked by solemnity and deepest gloom. Suddenly some detail loomed up to Doherty in a humorous light. He laughed.

Consternation followed.

"Doherty," admonished one of his friends, "I don't see how you can laugh at a time like this."

"If I couldn't laugh at a time like this," replied Doherty, "I would have died long ago!"

Henry L. Doherty had no high school or college education, yet before he was forty he had invented and perfected processes and apparatus requiring the greatest technical skill, and had established a reputation for theoretical and practical achievement known the world over.

If you ask him where he got the rudiments of his education, he will tell you: "Out of a gas catalogue."

It sounds funny, but it is true. While he was still a newsboy in Columbus, he got a job at the gas works. There, down by the roaring coke furnaces and retorts, he pored over that catalogue until he knew, better than the words could tell him, what it was all about—those furnaces and retorts luring him like a romance from the Arabian Nights.

He looked into the heart of that gas house and saw coal turning into gas, and gas into power and heat, saw that the coal and the gas and the power and the heat all came from the bowels of the earth and resembled the fires of the sun. Then he tore back to the catalogue to find out, if he could, what the deuce made the thing happen. And if he couldn't find out there, he asked someone or dug up another book.

This is the keynote of his education. He went from the thing to the word, not from the word to the thing, as most of the schools and colleges teach.

Often during those early years, after a sleepless night spent over some deep scientific volume, he would duck his head into a basin of cold water and go cheerfully off to work, down to the gas plant or out on the street selling papers—a fourteen-hour-a-day man right from the start. Those were the hard years of preparation for the work to come. He was getting an education such as no school can give. He was learning first-hand, from life as well as from books, taking practical and theoretical together.

By the time he was twenty he was a gas engineer, and an uncommonly good one. Yet he acknowledges that he did not really wake up mentally until he flung a stone through the air one day, and caught a glimpse of the vital scientific principles behind the parabola his random bit of rock described in its flight.

At twenty-two Doherty was made assistant to the manager of the Columbus plant—because he could do things men twice his age couldn't do. That was the first score in his game of success. I say game, for success was then, as it still is, essentially a game within him. He cares little for wealth and power. The joy is all in the work, and the work is play, because he makes it play.

They tell this story of Doherty's first big promotion: The Columbus company was operated by a large Wall Street bond house. They wanted a man to go up and reorganize the Madison, Wisconsin, company. Doherty was mentioned for the honor, and a representative was sent to try him out.

"Would you go, Doherty?" the representative asked.

"Yes."

"When?"

"At once!"

They gave him the job and he caught the next train out of Columbus, without so much baggage as a brush and comb. He was happy that he had got the job, because it meant new problems, harder work, more responsibility. Columbus had begun to be too easy. Madison looked like a tougher job.

At Madison, Doherty made a splendid record, putting the disorganized company back on its feet and re-establishing public good will. So successful was he that in an incredibly short time he had become president of the Madison company.

Then they sent him to take hold of one company after another, always with equal success. Finally they sent him out to tackle the big Denver company. This company was suffering from the ruinous opposition of another concern operating in the same city. The opposition company had organized itself solely to force its sale to the Denver company, had managed to secure a franchise, and was attempting, by cut rates, free appliances, and other questionable tactics, to win over the legitimate company's trade.

Such was the situation when Doherty stepped in. Now, nine men out of ten, under similar circumstances, would have got angry and flown off the handle. But Doherty believes, at all costs, in letting the other fellow get mad. So he determined to keep cool, and set calmly about reorganizing the company. First, he put his rates back on a fair basis. The other manager had lowered them to compete with the opposition company. Next, he proceeded by a "quality" inducement to win over the select trade, content to let the rivals have the cheap trade.

It was a hard fight. It was perhaps as hard a fight as Doherty ever had. But in the end he was victorious, and forced the opposition company to sell out at his own figure.

Until the age of thirty-four, Doherty had not known what it was to be his own boss. But the break was bound to come, for a man of his original ideas and attainments would not always be willing to be hampered and held back by other peoples' hesitating methods and conservative capital. Also, his genius for organization had become so highly developed that reorganizing sick companies was rapidly becoming child's play. There were many problems in public utilities that were more interesting and harder to solve than the work he was doing at the time. He looked forward to tackling these hard jobs. So, when the break eventually came, the result of a difference of opinion between Doherty and those higher up, Doherty tendered his resignation and stepped out, free at last to go ahead as he chose.

Doherty's first capital was raised from his immediate friends—boys with whom he had sold papers, men with whom he had worked. With this he bought up a bankrupt Western company, reorganized it, and put it back on its feet. That he was able to accomplish this is due to his former training.

That was the second score in his game of success. He took a chance and won, not because he was a gambler but because he had built his house of facts up block by block on a solid foundation.

Soon Doherty took over another "sick" company, and "cured" it; then another and another, reorganizing them and putting them on a healthy dividend-paying basis, until gradually he acquired the great chain of companies he and his associates control to-day. The story of the reorganization of each separate company is too long to be told here. Moreover, the story of one company is, in the rough, the story of all, for to each he applied the same general principles. So successful has he been that his friends call him "the bankruptcy doctor," and allude to him as "the man who cures sick business."

An interesting phase of the Toledo fight, one of his most sensational, was "the trolley affair." A three-cent fare ordinance had been passed. Now Doherty knew that this was the result of previous bad management, and if continued would wipe the company off the map. So he began a quiet attempt to have the fare put back to five cents.

The council had expected and hoped he would get out an injunction, whereupon a long-drawn political wrangle would have ensued. But Doherty is dead against politics in public utilities. So he kept the case away from the courthouse, and decided to let public opinion settle it. He instructed his conductors to charge five cents a ride and to give free rides to anyone who would not pay the full fare, thereby appealing directly to the people.

You can't damn a company that gives you good service and free rides, so the mayor and council got together and decided they would force Doherty to accept the reduced rate. One day they went out in a body to proffer three-cent fares. But Doherty got wind of it and it roused his sporting blood, causing a return of his boyish deviltry. With the aid of detectives, he was informed where the party were to board the cars. Employing an automobile, he boarded at the same crossing, at once grasped the mayor's hand in a glad clasp, and with a "Permit me, gentlemen," handed the conductor full fares for all. The party didn't grin yet. They hadn't caught on. They rode a block or two, then got off to try it again. They crossed to another line operated by Doherty's company. But, behold, the genial, generous Doherty once more mounted the platform and did the honors. This time everyone shook hands so hard it was a cramp, and grins widened to laughter.

A third time the mayor and council tried it, but Doherty managed to treat them to rides once more, at five cents per person.

So those wily city fathers gave it up, and decided they would either have to pay full fare or ride free. As things turned out they came to see it as Doherty did, and the five-cent ordinance was put back on the books.

PERSONAL

A. M. FRASER, manager of the insurance department of Findlay, Durham & Brodie, Ltd., Victoria, has been appointed to the position of insurance manager of the Royal Financial Corporation, Vancouver, succeeding George O. Gray and will take his position at the beginning of the year. Mr. Fraser is well thought of in Victoria and his many friends extend to him their best wishes in his new undertaking. The insurance fraternity of Vancouver cordially welcome Mr. Fraser to their midst.

SIR CHARLES GORDON, who has been appointed to represent the British government in New York pending the return from England to America of Lord Northcliffe, is one of the younger men who have been "made" by war conditions. Before the conflict he was best known to Canadians as the president of the Dominion Textile Company, an enterprise which stands as a monument to the organizing ability which has since found a much larger and more important field. His first important work for the government was in association with Sir Joseph Flavelle on the Imperial Munitions Board, and since that time recognition of his unusual ability has led to rapid advancement. In addition to being president of Textile, Sir Charles has other industrial and financial interests of a broad character; in fact his recent appointment as vice-president of the Bank of Montreal is in itself an indication of the prominent place he has made for himself in Canada's business affairs.

CURRENT OPINION

THE SERIOUS TASK

Wall Street *Journal*

It seems hard to bring home to Congress and to the country the magnitude and urgency of the task we have undertaken in entering the war. Perhaps a concrete instance of what it means will have some effect. An American in the English service, Walter G. Oakman, promoted from the ranks to a lieutenancy in the Coldstream Guards, one of the crack English regiments, has earned by valor and conduct the officer's most cherished distinction—the Distinguished Service Order. The battalion in which he is an officer has since August, 1914, had its gallant fragments reconstituted twenty-one times.

Surely this should impress, not merely Congress or Secretary Baker, but our swivel-chair generals at the head of departments, with the magnitude of their task. Although the Congressional inquiry now in progress is bound to give aid and comfort to the enemy, its results already prove the urgent necessity for educating those actually in charge of the conduct of the war. Great as our efforts have been, they must be redoubled if we are to have the supply of arms and ammunition indispensably necessary to the successful conduct of the campaign in the coming year.

It is satisfactory, at least, to find a willingness to transfer military heads of departments to the War Board, to "kick them upstairs" and to fill such executive positions with young and more energetic men. Such positions in the past have been all too much influenced by politics, and not the best soldier, to say nothing of the best administrator, but the most persuasive politician has held these desirable berths at Washington in time of peace. We have no right to feel surprised if a state of war awakens us painfully to the perils of incompetence and sloth. We are reaping what, through Congress, we have sown.

We have lost but a handful of men so far, and can quote no such terrible examples as that of the Coldstream Guards. But we can make no forecast of the duration of the war, and can only prepare on the assumption that it may last three years more. In that time we must expect a casualty list proportionate to those of our allies. Are we to make that list heavier, and futile in result, by an inadequate supply of those munitions which constitute the best insurance of our soldiers' lives?

CONSCRIPTION OF WEALTH

Manitoba Free Press.

The statement that wealth ought to be conscripted in a period of war does not need to be vindicated. It is an axiom.

In time of national peril all the resources of a country, in men and means, must obviously be at the disposal of the government to avert the peril. This is a truism which requires no demonstration.

The Government of Canada has been slow to act on this axiomatic truth, and for this tardiness there is a reasonable explanation.

When the war broke out in Europe the national mind of Canada was not prepared for the event. Such a contingency had not been seriously considered. This country was organized in a very imperfect way for a time of peace, and for war there was no preparation, not even in the minds of statesmen.

The government has now given some evidence that it will use all its resources of men through conscription, and of wealth in the same manner.

It has imposed heavier taxation, has decided to take all excess profits in certain cases, and 75 per cent. in other cases; has adopted an income tax exempting all the poor and increasing the requirement with the increase in income and has stated in definite terms that the demands on the well-to-do will be almost immediately increased.

Even this, however, will not be enough. The cost of the war is beyond comprehension, and there is no sign of cessation. The needs are enormous. What is required is an increase in the actual national net income.

To effect this there is need of a great deal of constructive legislation. Waste must be eliminated and production of essential goods increased.

The *laissez faire* policy, the let-alone non-interference principle, which has ruled in Canada fro mthe beginning up to the present, must be definitely abandoned, and the government must provide that no farmer or manufacturer of essential goods will fail for lack of aid that the government can provide.

WAR MAKES DEMAND FOR STANDARDIZATION

Need for Uniformity Being Met by Business Men of United States—How the Government is Getting Results

By a Staff Representative at Washington.

Washington, D.C.

Every business man knows the importance and the significance of standardization. The word ranks second only to efficiency. It denotes the realization of modern business that waste must be eliminated—the kind of waste that produces the same articles a dozen different ways and makes repairs and replacements a matter of tremendous difficulty.

With reference to standardization in peace time opinions are not unanimous. Some do not favor it entirely. They feel that competition in design and variety in process of manufacture are healthy factors in trade and the means of satisfying the widely divergent tastes of the public. Some feel that in certain lines of goods there will never be possible a very rigid measure of standardization. Others, again, favor the most complete degree of standardization all through. They would have uniformity enforced by law in as many lines as conditions would permit. All agree that in many things standardization is very necessary and very beneficial.

With regard to war there can be no question whatever, no difference of opinion. Standardization of supplies is as necessary as discipline in the ranks. Bullets must be made the same to a ten-thousandth part of an inch, rifles must be turned out absolutely to a model; guns, aeroplanes, motor trucks, gas helmets, everything used in the deadly business of war must adhere to set standards. This is the theory of war, at least; it is not always the practice.

The Moral of the Motor Truck

A young American engineer returned to the United States as soon after President Wilson's declaration of war as the limits of space and the handicap of travelling out of France would permit. He had been serving with the French army in the engineering branch of the service for a couple of years, but got permission to return home as soon as his own country entered the war. In offering his services to La Belle France he had hoped, or at any rate expected, to assist in some of the more spectacular phases of war time engineering. It had developed, however, that he was on most intimate terms with the workings and the parts of motor trucks. No one was more capable than he in re-assembling and doctoring disabled motor lorries. Accordingly he had been put in charge of a large workshop some distance back from the lines, where he worked anywhere from fourteen to eighteen hours a day—and saw to it that his staff did the same—at the highly useful if not spectacular business of repairing army trucks.

It was gruelling work in every sense of the word. When a shell lands in the neighborhood of a truck the result is not hard to imagine. Generally the wreckage is left to rust where it has landed and the Western front is strewn with mangled remnants of wrecked cars. The need for trucks is very great, however, and anything that can be saved must be saved. Accordingly the young American and his staff had to tackle repair jobs that would have made any garage man on this side of the ocean throw up his arms in desperation.

But the great difficulty lay in the matter of duplication of parts. The French army had recruited and conscripted cars and motor trucks from all corners of the earth. There were French cars, English cars, American cars. There were so many different shapes and constructions that the repair depot had to carry no less than 20,000 parts! When a wrecked truck was brought in for treatment, it had to be identified, its origin traced back, its particular make and model determined and then the proper parts found. Necessarily work was slow and the difficulties great.

On his return to the United States, this engineer was a strong advocate of standardization. He had seen the lack of it in its worst phase and to use an army term, he was "fed up with it." He told of one incident that illustrated effectively the dire results of lack of standardization.

Three motor trucks were parked by the side of a road back of the French line—a big English truck, a French truck of an antiquated model and a converted Ford. A shell landed close enough to scramble the three of them. Only the English truck was left sufficiently intact to be worth bothering with at all, but some of its parts had been scattered about and when the repair men came to gather that machine together, they struck the job of their lives. There was three of everything in the mass of wreckage.

Standardizing the Truck

It hardly required the testimony of this officer and others who had a like experience to convince Uncle Sam of the need for proper standardization. It had already been determined that only one type of truck should be used with the American army.

The means of attaining this end was supplied through the agency of the Advisory Commission of the Council of National Defence. Committees had been appointed to act with the General Munitions Board. The Committee on Army Vehicles consisted of William Butterworth, of Deere & Co., chairman; A. N. Thielaus, Studebaker Corporation; R. V. Bond, Kentucky Wagon Co., and E. E. Parsonage, of the National Implement and Vehicle Association. A committee on Armored Cars had also been appointed consisting of Col. J. H. Rice, of the Ordnance Department of the U.S. Army; Col. C. B. Baker, Quarter-master General, and F. A. Scott, of the General Munitions Board. Finally there was a committee on Automotive Transport, consisting of Karl W. Zimmerschield, of General Motors Co., Detroit, vice-chairman; Charles Clifton, representing National Automobile Chamber of Commerce; C. W. Stiger, representing motor and accessory manufacturers; H. L. Horning, representing tractor interests; Henry R. Sutphen, representing watercraft interests; Frank H. Russell, representing Aviation Engine Association of America; Coker F. Clarkson, secretary and general manager of Society of Automotive Engineers; T. W. Henderson, Henderson Motorcycle Co., Detroit, Mich.

The task of standardizing motor trucks for army use was in its various phases turned over to these committees of business men. The ultimate result was one of the miracles of manufacture that the war has brought about.

Engineers in Conference

The co-operation of all the manufacturers was first obtained. It was a very earnest evidence of co-operation that was demanded of them. They were asked to "go the limit," to throw in everything they knew to help in planning the construction of the perfect motor truck. They agreed.

The concluding phase of the proceedings was when there gathered at Washington the head engineers of all the big manufacturers. They were collected together in one room, provided with plenty of material for the preparation of plans and then told to "go to it." It was impressed upon them that the country needed a truck as near perfect as was possible under existing conditions and that it was a patriotic duty with each and every one of them to help toward that end without a shade of reservation.

The story goes that the door was actually locked on them. This may or may not be true. But it is a fact that the conference brought forth wonderful results once they got down to work.

Imagine the situation; a score or more of jealous engineers who for years had been feverishly striving to excel each other in the improvement of truck construction. Each man there had shop secrets, exclusive processes, ideas that had been guarded as more sacred than the secret of the Sphinx; and they were asked to co-operate in the production of a perfect truck!

It did not take long for the ice to thaw. First one man laid a shop secret on the table, and another uncorked a hoarded kink and a third explained the nature of a projected improvement. In an hour all the cards were on the table and the group were up to their ears in details and specifications.

To-day every truck manufacturer has handed over to his rivals what was once supposed to be his chief stock in trade—his secrets of construction. But a truck is being produced for the use of the American army that will be as near perfect as it is possible to go to-day—a truck containing just one thousand parts where nearly two thousand were needed before. Every truck that goes to France will be of that model.

The repair depots behind the American lines will carry one thousand parts only.

The Liberty Motor

The same story could be told with reference to the standardizing of the motor used for aeroplanes. It is, of course, generally known that the worth of a flying machine lies in the heart that drives it—speed, durability, facility, all depend upon the humming little mechanism in the nose of the machine. As the United States has felt, and perhaps rightly, that the only road to Berlin is one that cuts through the clouds—in other words, that the war can best be won in the air—the need for the finest motor possible was early recognized.

The same procedure was followed. The co-operation of the manufacturers was sought and obtained, the engineers were summoned to Washington and put into a room with the same instructions, "Evolve us a perfect motor." There was the same letting down of the bars, the same surrender of cherished secrets, the same mutual discussion of specifications and details.

The result was the Liberty motor. American aeroplanes will fly over the enemy lines with the assurance that the motive power throbbing in them comes from a motor that has all the good points American makers know and none of the faults they have been able to find and correct—a hundred per cent. machine as far as present knowledge goes.

In All Lines Now

The same idea is being carried through in all lines included within the needs of war, the army and navy demand uniformity, absolute standardization, and Uncle Sam is putting the issue up to the business men of the country. On them is devolving the task of cutting straight roads through the rough hills of competitive construction. And the business men are living up to their task.

Reference has previously been made to waterproofing, as a line in which there was much mystery and mutual secrecy. Manufacturers jealously guarded their methods and processes from their competitors. Standardization for army purposes is being effected, however. Through the mutual efforts of the manufacturers the best methods are being determined for the waterproofing of clothing, tents, coverings, etc.

This is quoted merely as an evidence of what is going on in practically all lines.

And Now "Camouflage"

The standardization idea is being carried to all extremes and is being made to apply to what may seem the smallest details.

Every now and then a favorite artist drops from the pages of the magazines. His drawings are no longer seen and the public wonders what has become of him. In all such cases the answer is that he has gone into the service of the army. He is being employed on the devising and perfecting of "camouflage."

The war has coined many new words and phrases, but perhaps none more expressive or widely used than "camouflage," the art of concealment. The airship has provided the enemy with a far-reaching, all-observing eye and it has become necessary to disguise batteries, hide roads and camps, cover "ammunition dumps" and, in fact, so change the appearance of everything the aerial observer can see that he will be deceived. The work must be well done, for the aerial observer uses a camera—and it is hard to deceive a camera.

With great thoroughness Uncle Sam is working on the standardization of camouflage. Hundreds of artists have been conscripted into the service and are being used in devising and preparing methods of disguise. They are attached to the various camps and the results that they obtain are duly reported. Information is exchanged among the various camps. Even this seemingly small phase of warfare is being worked out on a basis of absolute standardization.

The moral of it all is that the U.S. Government is obtaining tremendous results in the matter of standardization because the co-ordination of business men has been obtained. In no other way could the Liberty motor have been evolved. The system of national committees is making it possible to organize any industry to the point where anything needed for war purposes can be obtained.

Standardization is a matter for business men to handle and Uncle Sam has had the good, common sense to delegate it to business men.

And the results prove the wisdom of this course.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

ALABAMA TRACTION

J.L.B., Wales.—I beg to send you herewith a clipping from your issue of September 29th re Alabama Power. I have taken this to refer to your review of the annual statement of the Alabama Traction, Light, Heat Co., in your issue of July 14th last. I have made enquiries for information respecting the six per cent., five-year gold notes and am informed that there are securities floated in New York by an American concern operating in a similar class of business in Alabama.

You have evidently been confused regarding the Alabama Power projects owing to the fact that the Alabama Traction Light and Power Company, is a holding company under which is operated the Alabama Power Co., which in turn has seven distinct operating subsidiaries. The main financing of the principal and subsidiary enterprises was conducted in England and it is obviously the five per cent. gold bonds of the Alabama Traction, Light and Power Co.—the holding company—which you have confused with the six per cent. gold notes of the Alabama Power Co.,—the main operating concern. These latter notes were issued in New York to secure temporary funds at a time when further capital could not be secured in England owing to war conditions. The bond issue of the Alabama Traction, Light and Power Co. was authorized to the amount of $25.-000,000, and of this total $13,138,400 were sold. The funds were used for the development of the Alabama Power Company and other companies controlled by it as shown in the chart. Then finding that further bonds could not be sold in England and capital being necessary to complete the undertakings an issue was made in New York in 1916 amounting to $8,000,-000. When no more of these latter bonds could be sold six per cent. notes were issued on a five year basis secured by a deposit of a certain amount of the bonds. This note issue amounted to $1,900,000 under agreement of July 2, 1917. The reference in THE FINANCIAL POST of September 29 was to this note issue.

The Alabama Light and Power Company was organized in Montreal and is the only company of the group which is known in Canada or England. The Alabama Power Company is the operating company and neither its bonds nor its notes were offered in England. As you are probably aware there were two coupons of the traction company's bonds overdue. The first of these was paid in September and the other will be paid in March next.

ONTARIO PULP

H.F.H., Ottawa.—"In 1913 I bought bonds of the Ontario Pulp & Paper Co., and since the outbreak of war I have received no interest (having been away on active service for nearly three years). I understand the pulp business has been very flourishing and should be glad if you could give me any advice as to what to do."

The Ontario Pulp & Paper Co. was taken over in 1912 by the Spanish River Pulp & Paper Mills and its bonds now form a liability of the latter corporation. In 1914, by arrangement with the bondholders the payment of interest on the bonds for 1915 and 1916 was deferred until 1922, for which concession certain privileges have been granted. Payment of interest on the bonds was resumed on January 1, 1917, the necessary funds to meet the coupons falling due being placed on deposit at the Royal Bank offices in Montreal and Toronto. You are therefore entitled to a year's interest on your bonds. We would advise you to get in touch with the head office of the Spanish River Pulp & Paper Mills, Bank of Hamilton Building, Toronto, explaining that you have been out of the country for three years and have been unable to attend to the adjustments necessary in connection with the deferred interest coupons and asking them what to do.

LIGHTER SIDE OF EXPERIENCES IN RURAL BANK

Continued from page 9

sed what he had done, and paid the amount. He had been converted at a revival, he said, and wished to square up everything in his past life that was wrong.

Among my customers was a farmer named George Thoman. One day he came to me with a package of mutilated bills which had, apparently, been cut diagonally through the middle, then charred on the cut end. He had kept this roll of bills, about $300, in an old bureau downstairs, he said. One morning, some two weeks earlier, on going out to the barn, he had found the pocketbook, or rather the half of it, with the half of the bills inside, lying beside the charred remains of a few sticks. Some one had told him that he could have the damaged bills redeemed, and he had brought them to me. I sent them in for him.

A little later a U. S. detective came down and arrested Mr. Thoman. He was tried and heavily fined. The other half of those same bills had been redeemed by another party from a town nine hundred miles away from us before his half had been presented for redemption. Who was this other party? Mr. Thoman denied all knowledge of any one by the name given. Were the two together deliberately trying to cheat the government? I had always found the man as straight as a string. Moreover, he was a man of fair intelligence, and he must have known that an attempt to redeem the same bills twice would get somebody into trouble. If a companion thief took the money, why did he go to the trouble of first mutilating it, then redeeming it? I leave the solution of this problem to some clever writer of detective fiction.

A Course in Counterfeiting

When I was young in the banking business a stranger came to the office one noon when I was alone, and said he had $1,500 in bills which he wished to deposit. The fourth or fifth bill in the pile aroused my suspicions. It was undoubtedly counterfeit. Indeed, two-thirds of the whole amount was counterfeit.

The stranger watched me with a dry smile. "You've done pretty well, young man," he remarked, when I had finished, "but you haven't found them all. There are two more counterfeit bills in that pile."

"What is the meaning of this?" I demanded, as I secretly reached for my revolver.

"I am a counterfeit detective," he told me, and showed me his government license.

I finally let him come in and paid him $10 to teach me what he knew about counterfeits. I felt that I got my money's worth. The man went from me to another small town about thirty miles away and was arrested. He wired me and my statement released him.

A country banker's advice is asked on every possible subject, but there is one proposition on which it is never taken. We might as well save our breath as to advise against investments in get-rich-quick schemes. These schemes take thousands of dollars out of every town.

Human Note in Banking

Some of us might rise to positions of greater responsibility if we were willing to shut our hearts to the human element in our business, but it is that very thing that makes it interesting.

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NEWS OF THE BOND MARKETS

FIXING PRICES WILL NOT HELP BOND MARKET

U.S. Congressman Proposes Plan, But it is Severely Criticized

A PREFERABLE METHOD

Accepting Excess Subscriptions of Large Investors Provisionally and Using Them to Buy Up Bonds That Are Unloaded

The most important event of the week has been the announcement that the government had passed an order-in-council of the most drastic character requiring municipal and provincial governments to secure a permit from the Finance Minister before they could offer for sale or even pledge any issue of bonds. This order puts an immediate stop to any traffic in new issues until such time as the machinery for granting permits is placed in operation. Bond dealers have not been bidding for issues in any case since the Victory Loan campaign was arranged and the situation is virtually one in which no flotations have been made for two months. Meantime there are a few dribbles of business in bonds which have been carried over from the summer and early fall and these are being placed at about the same level of prices as prevailed before the war loan was offered.

A resolution introduced by Representative Wood, of Indiana, in the United States Congress, to make it unlawful to buy or offer to buy any Federal bond issued since April 6, 1916, for less than par and accrued interest has been seriously criticized by banking interests. Such legislation, it is believed, would prove a serious handicap in future Liberty Loan offerings, for the reason that United States bonds have not only been considered easily convertible into cash but a very high type of security. Any attempt to bolster up the market by fictitious means is regarded as certain to prove disastrous.

The problem is one of immediate and pressing interest in Canada in connection with the Victory Loan. Already bankers are reporting numerous cases of people who want their money back or people who now find that they have been persuaded into subscribing to more bonds than they can finance. It is inevitable that there will be considerable selling after the new year. If this selling is permitted to go on unchecked, there will certainly be a decided break in prices for the absorptive power of the market is limited.

Cannot Fix the Price

As advanced in opposition to Representative Wood's proposal to make it an offence to sell bonds under par, such a procedure would only aggravate the situation, for it would simply result in people being unable to sell their bonds at all. A market must be created and a steady demand maintained if the value of the bonds is to be held anywhere near the issue price. The proposal to use the excess subscriptions of large investors for this purpose is both sound and reasonable. It is simply as if the government stated,—we will accept your gross subscriptions provisionally but will reserve the right to fill them by degrees. By making the loan, say $400,000,000, there would be a balance of from $20,000,000 to $25,000,000 available for this purpose and that should be sufficient to take care of most of the bonds coming on the market.

Situation Will Be Helped

The Canadian situation will be helped by the regulation prohibiting the flotation of new bond issues in Canada without a permit from the Minister of Finance and another regulation, which is expected shortly, making it an offence to purchase issues outside Canada. The former regulation will not have very much force since the borrowing of municipalities and corporations has been dwindling anyway and is now down to comparatively small proportions. The latter regulation, however, is much more to the point. A great deal of Canadian money has gone during the past year or two into Anglo-French and other outside securities and a stoppage of this traffic should prove decidedly advantageous to the Finance Department's plans.

The net result of the cutting off of outside purchases and the curtailment of domestic issues should be to divert the entire flow of investment funds into government channels. Such an outcome will be of great assistance in keeping up the market for Victory bonds, since there should soon be an excess of funds available for investment purposes over the supply of bonds offered for sale. If, therefore, the critical period in the early months of 1918 can only be safely passed, it would appear as if the market could very well look after itself until the next loan is floated towards the end of the year. By that time the conversion privileges attaching to all four war loans would begin to exert their influence as well.

Objection to Fixed Price

Commenting on Representative Wood's proposal to fix the price of Liberty bonds in the United States, Frank M. Huston makes the following points in a recent issue of the Chicago *Herald*:—

No one questions the desirability of maintaining the Liberty bonds at par. It is to be regretted that general market conditions in this country, and, in fact, all over the world, are such as to make the absorption of the American Government issue complete by permanent investors impossible at this time. In this country, however, our savings are not accumulating as rapidly as the Government financial requirements have developed, or at least as rapidly as the Government has found it necessary to offer bonds. The law of supply and demand to a large extent regulates the market price.

Why Bonds Have Declined

Not only have the Liberty bonds declined below par, but the highest grade bonds of corporations of all classes have experienced a shrinkage in value to such an extent as to make the investment public heartsick. This was the direct result of the Government's requirements and of the efforts of this country, through patriotic motives, to supply the Government with the credit and the money it needs for the prosecution of the war.

The greater part of the Liberty bond issues have been absorbed by investors, who will hold them long after the war is ended, but doubtless there are many investors who have bought Liberty bonds from patriotic motives, expecting to hold them, who may encounter adverse conditions due to the war or other things now unforeseen, that may make it necessary for them to realize on their investment. With the Government putting out new bond issues periodically, it would not be surprising if the floating supply of Liberty bonds should exceed the demand during the period of the war. In that event it is perfectly natural the market price should continue below par.

Great Britain, which has had by far more experience in the flotation of government bonds than this country, has not undertaken to stimulate the market for its securities by such artificial means. The Anglo-French five-year five per cent. external loan, which was sold in this country at 96 in the fall of 1915, made a new low record recently, when the notes sold at 83½, 16½ points below par and 12½ points below the price to the underwriting syndicate..

Wood's Plan Uneconomic

The plan of Representative Wood is regarded as uneconomic. It is only necessary to study the colonial history of this country to note the effect of such legislation, to see how such a plan works. Several attempts were made during the American revolutionary period to maintain the colonial currency at par by legislation. The most successful effort at artificial stimulation of a bond market through legislation was in this country in the closing period of the civil war, but that was not an attempt to legislate a par market value. What was done was to give "a circulation privilege" to the bonds by making them the basis of our national bank note system. This resulted in lifting the market value of the United States bonds above par and maintaining them there for a long time, even when the rate of interest was as low as two per cent.

The depreciation in market value of the Liberty four per cent. bonds compared with the depreciation in value of other high-grade bonds, not only of other governments but of gilt-edged domestic municipal and other corporations, is exceedingly small. The tremendous demand of government financing on the investment market is the chief cause of depreciation. The demand on the capital supply of the world is far in excess of the available capital and necessarily investment returns are greater and market values lower.

Depreciation in market values under present conditions is not a reflection on the credit of the Government or on the credit of the issuing corporations; it is simply a natural readjustment to new investment conditions. The Liberty bonds, when normal conditions are restored, are likely to sell as much above par as they decline below under these abnormal influences.

WAR SAVINGS STAMPS

Elaborate Plans Being Made for Launching of a Campaign

The gratifying progress being made in the United States with the sale of war savings stamps raises the question, what has become of the Canadian scheme. In this connection THE FINANCIAL POST is advised from Ottawa that Sir Thomas White has under arrangement an organization for the raising of funds by means of the sale of stamps in denominations small enough to be within the reach of every man, woman and child in Canada. This plan will be set in operation early in the new year. While it will follow and in a certain sense be an imitation of the United States' scheme, it should be said in justice to Sir Thomas that he had it under way before the American plan was announced and it was only deferred on account of the Victory Loan campaign and the elections intervening.

Meantime, up to December 15, there had been raised in Canada through the sale of war savings certificates, the sum of $12,237,779.

PRIORITY BOARD WILL PROBABLY BE APPOINTED

Expected That Such a Body Will in Future Pass on All Bond Issues

NO ANNOUNCEMENT YET

Municipalities Are Advised to Handle Unavoidable Capital Expenditures by Placing Them in the Estimates

Just what machinery will be devised at Ottawa to pass on bond issues and furnish the necessary permits for their sale is not yet known. That there will presumably be a priority board is anticipated. Some ruling will also be necessary in connection with those issues which have already been made but which have not been sold. A municipality which has made an issue, on account of adverse market conditions, and has been compelled to pledge the bonds to the bank for needed funds, may expect to be relieved of the necessity of having such an issue approved. Likewise a municipality which has gone ahead with certain local improvements, intending when they were completed to issue bonds to cover their cost, should not be penalized on that account. All these are points on which some definite information is much to be desired.

It is not likely that in the aggregate there will be much of a reduction in the amount of new issues for a year at least. Something like $50,000,000 of bonds are overhanging the market and, unless provincial governments and municipalities are not to be seriously embarrassed, a great deal of these securities must be permitted to come out. After these pressing needs are supplied, however, it may be expected that the gag will be rigidly applied.

What are municipalities to do? It is the advice of Finance Commissioner Bradshaw of Toronto, who is one of the shrewdest municipal financiers in the country, that under present circumstances the only sound method of dealing with capital expenditures that cannot be avoided is to place them in the estimates and meet them out of taxation. If this policy is adopted, taxpayers will see that such expenditures are kept down to the lowest possible level. The policy of falling back on the banks is not desirable and should not be encouraged.

The Order-in-Council

The following is the text of the order-in-council made last Saturday preventing the issue of new securities without the sanction of the Finance Minister:—

Whereas it is advisable that the Canadian investment market should be conserved to facilitate the borrowing of the large sums of money that will be required for the prosecution of the war and to enable His Excellency's Government, if need be, to fully avail itself of the loaning capacity of the country for the paramount purposes of national defence, and that the impairing of the market should be prevented by forbidding the offering and sale thereon of securities for raising money for purposes the execution of which may in the public interest be postponed until peace has been restored, provision being made for the issue by the Minister of Finance of a certificate permitting the offering and sale of such securities as the said Minister shall deem proper to except from such prohibition—

Therefore His Excellency the Governor-General in Council, on the recommendation of the Minister of Finance and under the provisions of The War Measures Act, 1914, is pleased to enact the following regulations and the same are hereby made and enacted accordingly—

1. It shall be unlawful within Canada, by or on behalf of any provincial, colonial or foreign government, municipality, commission, local government, institution, corporation or incorporated company, to issue, sell, offer or advertise for sale, any bonds, debentures or other securities evidencing an obligation to repay money borrowed, which may hereafter be issued by or on behalf of any such colonial or foreign government, municipality, commission, local government, institution, corporation or incorporated company as aforesaid, or any shares which may hereafter be issued of the capital stock, whether preferred or common of any such corporation or incorporated company, or to purchase or agree to purchase any of the bonds, debentures, or other securities or shares of capital stock aforesaid, unless the offering and sale thereof within Canada shall have been first approved by the Minister of Finance by his certificate of approval in writing; Provided, that nothing herein shall affect the issue, offering, advertising, sale or purchase of any bonds, debentures or securities of the Government of Canada, or the trading in any bonds, debentures, securities or shares of capital stock, heretofore issued and placed upon the market, or which shall have been originally issued and placed upon the market with the approval of the Minister of Finance evidenced by his certificate as aforesaid.

2. Any issue or sale made in contravention of the foregoing prohibition shall be deemed to be in excess of the authority of the provincial, colonial or foreign government, municipality, com- [illegible] local [illegible] corporation or incorporated company on behalf of which the same is made, and may be restrained by action at the suit of the Attorney-General of Canada in the public interest; and moreover, any person issuing, selling or offering or advertising for sale or purchasing or agreeing to purchase any such bonds, debentures or other securities, or any shares of capital stock so issued, sold, offered or advertised for sale, without the certificate of approval hereinbefore required, shall be guilty of an offense, and shall be liable, on summary conviction before two or more justices under the procedure prescribed by Part XV. of the Criminal Code, to imprisonment for a term not exceeding one year, or to a fine not exceeding five thousand dollars, or to both imprisonment and fine, in the discretion of the tribunal.

3. For the purposes of the foregoing regulations the words "sale," "sell," and "purchase," and their parts, shall be held and interpreted to include mortgaging, pledging or parting with any right or interest in consideration of money, or, as the case may be, acquiring, by way of mortgage, pledge or otherwise, any right or interest in consideration of money.

Although the demands this year have taxed the resources of the Chatham water commission to the utmost, the secretary was able to report the finances of the department to be in a most satisfactory condition at the concluding meeting of the commissioners. When all expenses have been met the commission will have a surplus of about $4,000 on hand. This, as usual, will be turned over to the

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FIELD OF MUNICIPAL FINANCE

MONEY BY-LAWS LESS NUMEROUS THIS JANUARY

Fewer Municipalities Will Submit By-laws to Their Taxpayers

THREE YEARS' COMPARISONS

Number of Industrial By-laws Down to Two and Most of the By-laws Are for Comparatively Small Amounts

Are Canadian municipalities really economizing? An easy test may be made by totalling up the money by-laws which are to be voted on at the forthcoming municipal elections and comparing aggregate amount with that of previous years. It is found that this year eighteen places in Ontario will vote on nineteen by-laws aggregating $671,033. There are possibly some few other municipalities voting, but the number may be regarded as fairly complete.

In January, 1917, excluding the vote on the hydro-radials, sixteen places voted on twenty-one by-laws aggregating $917,750 and in January, 1916, thirty-two municipalities voted on thirty-four by-laws for $876,490. The 1918 vote is therefore somewhat smaller than the 1916 and 1917 votes but not enough smaller to give much of an indication of increased economy.

The largest 1916 by-law was that submitted by Ottawa in connection with its big storm sewer project, the amount involved being $315,000. The largest by-law in 1917 was that of Hamilton approving an expenditure of $362,500 on waterworks enlargements. The largest 1918 by-law is that of Fort William, where a vote is to be taken to sanction the raising of $225,000 to take care of the deficits in connection with the operation of the city's street railway. Ottawa presents the second largest by-law,—$125,000 for a new bridge over the Rideau River.

It is quite interesting to note that by-laws granting bonuses or bond guarantees to industries are very much less numerous than they used to be. In January, 1916, out of 34 by-laws submitted, nine were of this class, the total being $111,000. In 1917 only one industrial by-law was submitted and this year there are only two,—$10,000 bonus by the village of Fergus to a flour mill recently destroyed by fire and $30,000 bond guarantee by Owen Sound for a shoe factory.

Omitting the Fort William and Owen Sound by-laws, all this year's votes are comparatively small. Superficially some question might be raised as to the essential character of a few of them. For instance the St. Catharines by-law to lay $26,500 on a cemetery; the Grimsby by-law to purchase a park and the Windsor by-law for the erection of a municipal garage appear to be unnecessary. On the other hand such by-laws as that of Ottawa for a soldiers' home and of Orillia and Rama townships for aid to a soldiers' memorial hospital are deserving and there are votes for fire protection, waterworks extension and road improvements that should on general principles receive support.

DYKING DEBENTURES

District in British Columbia Asks for a Bond Guarantee

The commissioners of the Dewdney, B.C., Dyking District, together with a delegation of the landowners of the locality, recently interviewed the Provincial Government of B.C. for the purpose of asking the authorities to guarantee $180,000 of forty year four per cent. debentures which were to be issued in connection with the obligations of the district. The Dyking Commissioners acting under the powers of the Dyking and Drainage Act proposed to reclaim about 3,500 acres of land at an estimated cost of $50,000 which, however, was later increased to $150,000, which liability the commissioners are obliged to assume. A contract was entered into with the C.P.R. whereby the railway was to strengthen its line to such an extent as to make it serve in this particular section as a dyke. A dispute between the two interests found its way eventually into court with the result that the railway obtained judgment, which with expenses incurred now reaches the figure of $150,000 as above.

The present situation now means that a large part of the land is still in the rough state and the farmers are unable to meet their assessments while some of the land is up for tax sale. The commissioners explained to the Cabinet that the bondholders would agree to exchange their present holdings for the government guaranteed debentures provided the government would agree, and that the bondholders had consented to waive back interest accumulations. No definite answer was given the delegation. The late Dominion Trust Company acted as trustees for the first issue of Dewdney Dyking Debentures and sold them at a figure which would realize about seven per cent. to the investor. The dyking community on Nicomen Island is planning similar action, the amount involved being about $90,000.

REDUCING EXPENDITURES

Toronto Works Department Lopped Off Considerable Sum in 1917

The gross expenditure of the civic works department of Toronto this year was $4,884,421 as compared with $5,554,192 in 1916, as exhibited in the annual report of Works Commissioner Harris.

The falling-off in local improvement works is shown by the following figures as to miles constructed:

	1916	1917
Pavements	14,433	4,461
Sidewalks	6,951	3,078
Concrete curbs	3,493	142
Sewers	12,318	2,600

The city laid a mile and half of water mains, as compared with 4 1-5 miles last year. In York township 9½ miles have been constructed under the agreement with the municipality.

ONTARIO'S FINANCES

Stated That Another Surplus Will Be Forthcoming Next Session

It is expected that the Ontario government will again be able to show a surplus at the coming session of the provincial legislature. This will be accomplished in spite of heavy demands made upon revenue by patriotic expenditures, the increased cost of maintaining public institutions and the extension of government enterprises.

During the past year the government has extended the employment bureaus throughout the province, and also purchased and operated 130 farm tractors for boosting the increased production campaign. The Provincial Treasurer faced a loss of $400,000 at the beginning of the financial year due to the loss of liquor licenses in the province, but the new sources of revenue provided last session will more than make up the loss.

The increased mining revenue due to the new nickel industry tax and the boost given succession duties has helped the province considerably this year, while the provincial amusement tax has contributed to the extent of over $600,000.

This tax has operated so well that the United States Government secured from Hon. Mr. McGarry the full particulars as to the amusement tax, and a similar tax was started over there.

Over a million dollars was paid by the government to the Patriotic Fund, and for the Christmas presents to the boys at the front $170,000 was expended. Besides this the government is carrying heavy maintenance charges on the Orpington Military Hospital in England, and added a new wing. So that the province has contributed generously to patriotic work during the year.

Despite smaller attendance than in the record year of 1913, the Toronto Exhibition proved to be a greater money maker this year and the surplus handed over to the city was $66,758, as against $62,580 in 1913.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Jan. 4, Waterloo County.—$8,500, 6 per cent., four-instalment bonds of the County of Waterloo.

BY-LAWS PASSED OR DEFEATED

Brantford.—$6,500 for the purchase by the Board of Education of buildings adjacent to Alexandra School. Passed by council.

Whitby.—$1,150 for construction of sewer laterals; $3,200 for low level pumping station; $5,700 for extension waterworks and electric light. Passed by council, December 18.

Brantford.—$100,000 for waterworks improvements; $6,500 for purchase of new school site. Passed by council, December 18.

BY-LAWS TO BE VOTED ON

Jan. 7, Ottawa.—$125,000 for construction of a new bridge over the Rideau River at St. Patrick Street; $40,000 for a soldiers' home to be owned by the city but rented to the Great War Veterans' Association.

Jan. 7, Forest.—$8,500 for the purchase of an electric fire engine, apparatus, appliances and appurtenances for fire protection.

Jan. 7, Port Rowan.—$12,000 for the improvement and extension of the county roads system in the village of Port Rowan.

Jan. 7, Windsor.—$17.000 for the erection of a municipal garage.

Jan. 7, Belleville.—$28,000 for the purpose of granting aid to Albert College.

Jan. 7, New Liskeard.—$1,475 for the purchase of road machinery.

Jan. 1, St. Catharines.—$26,500 to pay for the cost of laying out portion of the new cemetery lands belonging to the corporation. J. Albert Pay, city clerk.

Jan. 1, Fort William.—$225,000 to take care of the deficits in connection with the city's electric street railway. A. McNaughton, city clerk.

Jan. 7, Orillia Township.—$5,000 for part maintenance of the Orillia Soldier Memorial Hospital.

Jan. 7, Alliston.—$6,000 for electrifying the pumping plant of the town of Alliston. J. E. Addis, town clerk.

Jan. 1, Galt.—$18,558 to provide money for extensions to the waterworks system. Joseph McCartney, clerk.

Jan, 7, Rama Township.—$2,500 as endowment fund for the Orillia Soldiers' Memorial Hospital.

Jan. 7, Barton Township.—$55,000 to purchase necessary material and equipment for installation of electric system.

Jan. 7, Kincardine.—$17,000 for repairing and rebuilding roads and bridges. John H. Scougall, town clerk.

Jan. 7, Fergus.—$10,000 bonus to aid James Wilson to restore the Monkland Mills. T. N. Wansbrough, village clerk.

Jan. 7, Owen Sound.—$30,000 guarantee of bonds of the King Shoe Co., Limited.

Jan. 7, Brantford.—$40,000 for grade separation at the crossing of the G.T.R. and St. Paul Avenue.

Jan. 7, Grimsby.—$3,500 for the purchase of the property of the Grimsby Recreation Company, Limited, for a recreation park.

DEBENTURE NOTES

Norfolk County.—A by-law was passed at the December session of the county council assuming the payment of the debentures, issued undr By-law No. 336 of the township of Middleton, to raise $10,000 for the erection of a bridge over Little Otter Creek.

Simcoe County.—The following by-laws of municipalities have been guaranteed by the Simcoe County Council: Midland, $25,000 aid to the Midland Dry Dock Co.; Midland, $25,000 for patriotic grants; Collingwood, $13,000 for patriotic purposes; $9,000 under Debenture Act of 1899; $3,500 for cement sidewalks, curbs and gutters; Creemore, $4,600 for school building and hydro construction.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from December 10th to 14th:

School Districts.—Earl Grey, $1,500; Beaver Valley, $1,200; Orillia, $2,400.

Rural Telephone Companies.—South Marengo, $11,000; Tribune West, $4,000; Eastern Star, $600; Aneroid North, $1,500; Currie, $4,700; Sylburn, $9,400.

The following is a list of debentures reported sold from December 10th to 14th:

School Districts.—St. Jean Baptiste R.C.P., $1,000, John Weber, Titanic; Armstrong, $1,400, Regina Public School Sinking Fund; Lens, $1,865, Goldman & Company, Regina; Hill & Hollow, $2,000, Goldman & Company, Regina.

Rural Telephone Companies.—River Park, $3,500, W. J. Sparling; Tadmore, $11,400, W. L. McKinnon & Co., Regina; Cabri South Eastern, $8,100, L. P. Simard; Wurtzburg, $2,000, Wood, Gundy & Company, Saskatoon; Elfros, $24,500, W. L. McKinnon & Co., Regina.

Cities.—Saskatoon, $7,700, City of Saskatoon Sinking Fund.

Towns.—Grenfell, $7,000, Mrs. Ada H. Fitzgerald.

Villages.—Unity, $3,000, Jacob Trowse, Unity.

The following is a list of authorizations granted by the local government board from December 17th to 21st:

School Districts.—Davidson, $2,000.

Rural Telephone Companies.—Baljennie, $9,200.

Rural Municipality of Scott, No. 98.—$6,000.

The following is a list of debentures sold December 17th to 21st:

School Districts.—Osgoode, $1,200, Town of Biggar Sinking Fund; Six Mile Lake, $1,800, Goldman & Co., Regina; Lamb Hill, $2,000, Goldman & Co., Regina.

Rural Telephone Companies.—South Gravelbourg, $7,300, Western Canada Bond Corporation, Winnipeg; Anglia, $11.500, Wood, Gundy & Co., Saskatoon.

Villages.—Esterhazy, $1,000, Jos. Lomenda, Esterhazy.

BOND SALES

$1,000 Dominion Cotton at 85; $19,210 War Loan (1925) at 95¼ to 94⅝; $26,200 War Loan (1931) at 92¼ to 91⅞; $63,200 War Loan (1937) at 92¼ to 91¾.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
Dec. 14	Saskatchewan School Districts	Various (see list above)	.....	.....	$6,265	.....	.....
" 14	Saskatchewan phone companies	Various (see list above)	7%	15-ins.	49,500	.....	.....
" 14	Saskatoon, city	Sinking Fund	.....	.....	7,700	.....	.....
" 14	Grenfell, Sask., town	Local	.....	.....	7,000	.....	.....
" 14	Unity, Sask., village	Local	.....	.....	3,000	.....	.....
" 21	Saskatchewan School Districts	Various (see list above)	.....	.....	5,000	.....	.....
" 21	Saskatchewan phone companies	Various (see list above)	7%	15-ins.	20,300	.....	.....
" 21	Esterhazy, Sask., village	Local	.....	.....	1,000	.....	.....

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THE EDITOR REMARKS

The standard of service and the character of the policies issued by The Mutual Life of Canada are so eminently above criticism and so notably fair and satisfactory that even its competitors ungrudgingly admit that it approaches the ideal excellence of that beau ideal of insurance companies, the Presbyterian Ministers' Fund of Philadelphia. No higher commendation could be given any insurance company. What our splendid New England mutual companies are to American, the Mutual Life of Waterloo, Ontario, is to Canada. We unhesitatingly commend to the attention of the insuring public the policies and protection of this company as an insurance investment "sans peur et sans reproche."

—The New York "Insurance Times," November, 1917

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INVESTORS' INSURANCE NOTES

POLICIES NOW COVER DAMAGE FROM AIR RAIDS

In Great Britain Accident Policies Being Issued With New Clause

PROPERTY DAMAGE ALSO

Demand Has Risen for Insurance Against Loss of Profit Caused by Damage Sustained During Raids

The prevalence of air raids in Great Britain, resulting in both personal and property loss, has led to the issuance of various new kinds of insurance. For example, there are now being sold special accident policies covering air raid risks. The usual accident policies specifically exclude risks of war, but latterly a demand has arisen for insurance covering personal injury resulting from air raids. The companies have begun to sell policies which, while varying in wording, are still quite comprehensive in their scope. The following is an example of the risks assumed:—

> Against bodily injury resulting in death or disablement caused within the United Kingdom directly and immediately by aircraft (hostile or otherwise), or by shots, shells, bombs, or missiles from or used against aircraft, or by falling glass, buildings, or building material immediately resulting from aircraft attacks or anti-aircraft defense.

Increase in Rates

As to the statement that the risks cover all contingencies immediately resulting from aircraft attacks, the view is held that the companies would not necessarily be obliged to make payment in cases where the injury was caused by parts of buildings falling several days after the raid had taken place.

Policies issued in June and July, 1917, were at the rate of £1 ($4.87) for insurance to the value of £1,000 ($4,866) in the event of death or the loss of two limbs or both eyes, £500 ($2,433) for the loss of one limb or one eye, £6 ($29.20) per week for total disablement, £1 10s. ($7.30) per week for partial disablement, each of these weekly payments to extend, if necessary, up to fifty-two weeks. Later, however, several companies doubled the above rate of premium while others announced an increase of 50 per cent.

Many merchants, banking firms, etc., have taken advantage of these policies by insuring their staffs, and there has also been a considerable business done with private individuals.

Damage to Property

In order to meet the obvious need which arose during the first year of the war, several companies began issuing policies covering damage to property caused by air raids, but in July, 1915, this sort of insurance was taken over by the government, and now many companies act as agents for this kind of State insurance, or policies may be obtained direct from the government insurance offices.

There has also arisen a certain demand for insurance against loss of profit caused by damage sustained during air raids. The government insurance scheme covers only direct damage to property, but, of course besides destruction from air attacks there is not only the actual loss of property but also the possible loss to the owner thereof of means of livelihood while the property is rendered useless.

Loss of Profits Policies

This sort of insurance has always been very cautiously dealt with by fire insurance companies because of the possibility of gain rather than loss to the insured person in the case of fire, but this risk can hardly occur in air raid insurance, as it is scarcely conceivable that persons could arrange with the enemy for the destruction of a specific building for the purpose of obtaining the insurance money. So certain companies are now prepared to issue special policies.

The London *Times* states that three methods are in use for dealing with these loss-of-profit insurances. Under the first system the sum insured is supposed to represent the annual profits and the fixed charges, such as rent. debenture interest, salaries of skilled employees, etc., and the amount recoverable bears the same proportion to the sum insured as the amount paid for material damage bears to the sum insured under the ordinary aircraft policy. Under the second scheme the amount insured is arrived at in the same way, and the sum recoverable is one-twelfth for each month during which the business is stopped through air raid damage. The principle of these schemes is simply the payment of a definite sum for a definite period.

The Most Successful Method

These methods are not entirely satisfactory, because a claim for no greater loss than broken windows would receive the same proportionate payment for damages as, for instance, the complete destruction of a factory, whereas in the latter case there would be an entire loss of profit until the building could be replaced. The *Times* gives the following as the most successful method:

In this system the loss is assessed according to the reduction in the output or turnover which is attributable to the air raid. It is based on the assumption that the profits of the business represent a certain proportion of the value of the output, and that the fixed charges form a definite proportion of the cost of the output. Hence it is argued that any reduction of output through an air raid involves loss of profits and fixed charges in the same proportion as the whole profits and total of the fixed charges bear to the total output.

It is usual in this system to include indemnity for any increase in the cost of working due to an air raid. Thus the cost of any measures which can be taken to maintain output, as, for example, the renting of temporary premises, can be recovered under the policy.

MUTUALIZATION FAVORED

Policyholders Approve of Change in Equitable Life Assurance Society

Mutualization of the Equitable Life Assurance Society was favored by more than 96 per cent. of the policyholders, according to an official count of their vote on the proposed plan announced in New York on Wednesday by the State Insurance Commissioner. The total valid vote, he said, was 88,126, of which 84,964 were for the plan. The next step required is the approval of the State Superintendent of Insurance. If this is obtained the society will then pass permanently under the control of its policyholders.

A TASTY PRODUCTION

Imperial Life Starts Publication of Magazine For Policyholders

Those responsible for the production of the Imperial Life-Guard, the little pocket magazine to be published for the information of the policyholders of the Imperial Life Assurance Co., are to be congratulated on the attractiveness of the publication. It not only contains material of interest but it is dressed up in a fashion that cannot fail to please those into whose hands it falls. The cover, taken from a painting by Wyley Grier, R.C.A., and the typographical arrangements throughout are thoroughly artistic and the table of contents possesses variety and readableness. Shop-talk is conspicuous by its absence.

PRESENT OF INSURANCE

Ottawa Company Presents Policies to Its Employees

As a Christmas gift to their employees, the American Bank Note Co., of Ottawa, arranged that each employee who has been with the company in Canada for more than one year will receive a life insurance policy for a substantial amount based upon length of service. The insurance went into effect at midnight of December 24, the amount being based on wage received and length of service.

In the case of female employees, the minimum policy is $500 and the maximum $1,000. In the case of male employees, the minimum policy is $1,000 and the maximum is $4,000. Both male and female employees who have been with the company fifteen years become entitled to the maximum amount.

In case of total disability, under the age of 60, the insurance becomes payable at once.

In addition to the insurance, the company has a pension system which takes care of its employees after their working days are over, and the company bears the expense of both the insurance and pension.

The Guardian Casualty & Guaranty Company of Utah, has ceased to transact business in British Columbia and has re-insured certain outstanding contracts of insurance in British Columbia in the Continental Casualty Company, and will re-insure other contracts with the New York Plate Glass Company, or obtain a discharge of such contracts. The company has applied to the Minister of Finance to release on March 7, 1918, securities deposited under the "Insurance Act." All claimants, contingent or actual, opposing the release are called upon to file their opposition with Superintendent of Insurance, Victoria, on or before the above date.

BUSINESS INSURANCE FIELD WIDE

As Much Need For it in Corner Grocery as in Million Dollar Firm

BANKERS FAVOR SCHEME

Amount of Credit That May be Extended to a Company is Dependent on the Security That Can be Shown and Insurance Helps

By W. H. SOMERVILLE
Associate Secretary, Mutual Life of Canada

Business insurance is taken out by firms or corporations, upon the lives of important officials or employees, for the purpose of protecting the business against sudden and unexpected strains consequent upon the deaths of these men.

What plan of insurance should be recommended? Probably an idea is prevalent that joint-life policies should be issued. Joint-life policies are neither necessary nor are they even likely to be desirable. Policies on single lives, on the whole life plan, are preferable, as the aggregate premiums for the policies on single lives are not much greater than the joint-life premiums whereas policies on single lives may be dealt with with much more freedom and are more adaptable to changing circumstances.

Not Term Insurance

The opinion may also prevail that the phrase, "business insurance" practically means "term insurance." This should not be the case, because a whole life policy, participating in profits, has many advantages over the term policy when insurance has been taken out for business reasons. A term policy is not a cheaper policy as compared with a whole life policy, when allowance is made for dividends and for cash surrender value.

Again, a term policy has no loan or surrender value, so that while it furnishes protection it may not be utilized in an emergency to bring in ready cash, as a whole life policy will do.

The plan to be taken depends, of course, upon the purpose of the insurance. The Endowment Plan may be desirable for the purpose of retiring a bond issue.

Field For Business Insurance

Where is the field for business insurance? There is as much need for it in the corner grocery as there is in a firm with a million of capital. In fact, the death of a partner in a small business affects it more severely than a similar death in a large concern, with efficient organization. If the small concern is to be kept going it may be necessary to find an experienced man capable of taking the place of a deceased partner. The man may be found but he may not have the necessary capital to buy out the deceased partner's interest. If the premiums had been paid out of the profits of the firm, with the intention that the insurance should form a part of the firm's assets, the difficulties in the way of continuing the business would largely be solved.

But the benefits of business insurance are not deferred until policies become claims. Bankers are favorably influenced in their decisions as to the amount of credit to extend when they learn that the men applying for it have had the prudence and foresight to protect their business interests by means of insurance.

Protect Business Interests

There is a rapidly widening demand for insurance for the purpose of protecting "business interests" as contrasted with "personal interest." Proper provision for the former demands careful thought, involving the decision in advance as to how the premiums shall be provided and what shall be done with the insurance when a policy becomes a claim. This could be best arranged by a written document, copy of which should be filed with the company. It should include a full explanation of the insurable interest which the corporation has in the life to be assured.

S.O.S. INCREASE RATES

Fraternal Society Adopts Schedule to Put it on Sound Basis

To maintain the actuarial solvency of the Sons of Scotland the rates of that benevolent society were increased at a special session of the association, held last week in Toronto. The association adopted the schedule of rates known as the Hunter or Government rate to be applied to all members who joined the Order prior to 1899 at their attained ages.

The object of the special [illegible] was the consideration of a report made by Dr. Frank Sanderson, consulting actuary of Toronto, respecting the re-adjustment of the rates of old members. After a long, thorough and sometimes spirited discussion, which had to be adjourned from the afternoon till the evening, the schedule of rates was adopted.

The age limit for the increase was set at 65. The increase, it is said, will be a considerable one but not as heavy as many expected.

F. W. Renworth, of the Great-West Life Assurance Company, has been appointed to the position of provincial manager for British Columbia of the Manufacturers Life Insurance Company with headquarters in Vancouver Block, Vancouver. Mr. Renworth was recently made inspector for British Columbia agencies of the Great-West under supervision of J. A. Johnson, manager of the Great-West for British Columbia.

The annual meeting of the Canada Life Assurance Company will be held at the head office, Toronto, on January 10th.

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REAL ESTATE AN[illegible] MORTGAGES

MONEY BEING FORCED OUT OF MORTGAGES

Pressure of Government Financing Diverts Funds Into Other Channels

NOT MUCH RE-SELLING

Experience in United States is That Farm Mortgage Bankers are Finding that Investors Prefer to Withdraw Funds

The change in the proportion of funds invested by Canadian insurance companies in mortgage loans and in stocks and bonds, which was most marked in 1916, will be even more noticeable this year. While a good many companies have been maintaining their mortgage loans on a fairly even level, others have reduced them. On the other hand investments in war bonds will bring up the percentage of stock and bond investments to record levels, and correspondingly depress the percentage of the investments in mortgages.

The situation, so far as farm mortgages are concerned, is discussed by Frank M. Huston in the Chicago *Herald*. "In the withdrawal of funds from farm mortgage investments as they mature," he says, "are seen the forces at work in bringing about a readjustment to war conditions. That the Liberty Loan has absorbed and is absorbing a large amount of the savings in this country is too well known to require comment. Savings banks in the eastern sections, which have been rather free investors in farm loan securities, are finding an abnormal demand at home for their funds. Savings depositors all through the East and in the Middle West have been liberal subscribers to the Liberty bond issues and in many instances it has been necessary for the savings banks, in order to protect their deposits, to lend money to their subscribers under a partial payment plan so as to enable them to pay for the war bonds out of future savings. This has resulted in an abnormal requirement for funds at home.

"It is impossible in times like these to market farm mortgages—and the same applies with equal force to other securities—without incurring a heavy loss. Such marketing also would demoralize values generally. The result has been that the investor in farm loans has found it advisable to call in funds.

"The withdrawal of these funds from the farm mortgage market, even though temporarily as mortgage notes mature, results in a curtailment of available funds, and naturally tends to increase the cost of borrowing to the farmer.

Eastern Loan Situation

"Representatives of farm loan bankers who attended the meeting of the governors of the Farm Mortgage Bankers' Association in Chicago last week discussed the farm loan situation as it interests the public. Among them was Kingman Nott Robbins of Rochester, N.Y., recognized as one of the leading eastern farm loan mortgage bankers. Before returning home Mr. Robbins said in explanation of the withdrawal of eastern investors from the farm loan market:

"The savings banks and banks generally in New York State are loaning practically nothing on real estate, and private investors as well as banks are withdrawing the proceeds of maturing mortgages from the market as fast as they fall due, for the purpose of investing them in other things, principally Liberty bonds. This is made necessary by the fact that owners of farm mortgages find they cannot sell their holdings without taking a heavy loss, consequently the withdrawal is quite general. I think this same tendency applies to other states in which there is a large investment in farm loans. In a recent questionnaire sent out by the Farm Mortgage Bankers' Association 74 per cent. of the answers indicated that the farm mortgage bankers were experiencing withdrawal of funds on maturing mortgages, and also indicate a disposition not to disturb present investment values by reselling.

"The country cannot afford to disturb capital already invested in farming, and it is equally certain that more capital will be required in order to increase production through scientific and intelligent farming. The preservation of principal, the attractive rate and the advantage of short-term maturities will make the farm loan attractive after the farm mortgage market has adjusted itself to the war requirements."

Conditions in West

R. O. Deming, head of the Deming Investment Company of Oswego, Kan., another recognized leader in the farm mortgage investment field, said:

"The farm mortgage to-day is in a tremendously firmer position than ever before, for the reason that the population is doubling itself in this country every 33 years.

"Prices of produce must remain fairly high for several years regardless of the outcome of the war. The [illegible] is far more prosperous and in [illegible]er and safer position to-day tha[illegible]s been at any time in the past. [illegible]tement is based on our own ex[illegible] which illustrates the fact tha[illegible]imately 10 per cent. of the c[illegible]standing principal loaned in the [illegible]es which we handle, namely, Mi[illegible] Kansas, Oklahoma, Arkansas, [illegible]ippi and Texas, in the five and a [illegible]onths beginning June 1 and en[illegible] November 5, was paid off under t[illegible]repayment privilege in the absence [illegible]al maturity. This does not mean [illegible] they were paid a few days in advan[illegible] These prepaid loans aggregated m[illegible]than $750,000,000.

"This represents surpl[illegible]oney in the hands of the farmer wh[illegible] was applied to his indebtedness. [illegible]aterially increased sum would have [illegible]en paid had it been possible to sec[illegible] the consent of loanholders."

HIGHWAYS VS. [illegible]ILROADS

Greater Use of Roads [illegible] the Country is Being Ad[illegible]ated

A greater use of [illegible] highways to relieve pressure on [illegible] railway systems of the country [illegible]eing advocated in the United State[illegible] might with advantage be appli[illegible] Canada. It is suggested that [illegible]ambers of commerce, boards of tr[illegible] and local associations of manufa[illegible]urers should furnish data to the [illegible]d departments of the local governm[illegible]s as to the highways which wou[illegible] most useful as substitutes for c[illegible]ed rail routes. This might be d[illegible] by calling meetings of the traffic [illegible]anagers of the industries and hav[illegible] them, through a committee, deter[illegible]ne the public roads whose maintenan[illegible] and improvement are most import[illegible]t.

Such a proced[illegible]e would be in conformity with pla[illegible] formulated by the American Assoc[illegible]on of State Highway Officials at [illegible] meeting in Richmond, and now [illegible]orsed in effect by the office of pub[illegible] roads. The plan provides for the [illegible]paration of a program for the im[illegible]vement and maintenance, in the [illegible]r of their importance, of the hi[illegible]ays which are of greatest econo[illegible] value in the present crisis. Sh[illegible] shortage of materials and labor [illegible]uire priority ruling on all highwa[illegible]work, the program would then be [illegible]sented to the authorities at Was[illegible]ton as a basis for national appr[illegible] and authorization of work on the[illegible]ential routes. Should no priority r[illegible] interfere the plan would neverth[illegible]s insure to the committee the ex[illegible]iture of funds where it will be of [illegible] greatest benefit to the industrie[illegible] people of the state.

Concerning [illegible]his subject, *Engineering News-Record* sa[illegible]

Need at Once

Evidently, if th[illegible] in[illegible]ormation is to be secured at maximum [illegible]peed, it is necessary to call upon hos[illegible] who are constantly dealing with tran[illegible]portation matters and who, therefoe, a[illegible] informed regarding the relative cong[illegible]estion and importance of various nutes[illegible] Manifestly, these are the traffic mana[illegible]ers of the various industries and the r[illegible]ilroads themselves. Before the war [illegible] wo[illegible]ld have been futile to ask the railroads [illegible] supply such information. No[illegible], th[illegible] eagerly welcome any agency which ca[illegible] help them out of their difficulties.

To secure the help [illegible] the traffic managers of the industri[illegible] the chambers of commerce, boards of [illegible]ade and manufacturers' associations th[illegible]oug[illegible] out the country can be of tre[illegible]dous assistance. They are organised f[illegible] work among the manufacturers of th[illegible] respective communities and can at [illegible]e secure immediate attention and act[illegible] They have the organization machin[illegible] for just such work. Moreover, th[illegible] are seeking opportunities to serve [illegible] nation. The call of the state highw[illegible] department would meet with a read[illegible] response. A meeting of traffic expe[illegible] each sizable community, working [illegible]ugh a committee selected by thems[illegible], could in a very short time report [illegible] to the state highway departments [illegible] routes whose maintenance or improv[illegible]t can in that particular district be [illegible] greatest service in relieving transpo[illegible] difficulties. We know of no oth[illegible] agency which can mobilize for acti[illegible] quickly.

Fund[illegible]tal Ideas

More effective [illegible]on from these bodies, of course, will [illegible]secured if the state highway depart[illegible] themselves present clearly, as a ba[illegible] for the activities of the traffic expe[illegible] some fundamental ideas regarding h[illegible]way and motor-truck traffic. Fortuna[illegible] these were well brought out at t[illegible] Richmond convention and are pretty [illegible] in the minds of the heads of eac[illegible] highway department. Obviously [illegible]ighway is of best service for relati[illegible] short hauls—60 to 80 miles. It is m[illegible]onomical when the trucks are load[illegible] both directions. Here again the [illegible]t of chambers of commerce and [illegible]ufacturers' associations will be of [illegible]eat value, because they are in a po[illegible] to establish such committees or [illegible]s as will insure loaded traffic bo[illegible]. What that traffic will be will d[illegible] of course, on local conditions. In [illegible] finished products will be carried [illegible] raw materials in. In other cases, [illegible]strial traffic in one direction will b[illegible]pplemented by foodstuffs in another.

Init[illegible] and Brains

In any event [illegible] initiative and brains that will be bro[illegible] together by the commercial assoc[illegible] in mobilizing the traffic inform[illegible] in their respective centers will not [illegible] produce the information needed [illegible] out a highway war program for th[illegible]trict, but will result as well in ide[illegible] conducting highway transport wit[illegible]reatest economy.

We, therefo[illegible]mend to the consideration of the [illegible]s state highway departments th[illegible] of calling upon the dominant com[illegible] bodies in the cities of their resp[illegible]tates for assistance in gathering [illegible] for the highway war plan. [illegible] they will receive a prompt and e[illegible]ve response is certain. As regard[illegible]very important matter of maintena[illegible]may be noted that the state highway departments may obtain assistance from the state councils of defense, which have been asked to look after the maintenance of routes to the seaboard and to keep the Lincoln Highway open.

LOAN TO ALLIES

Higher Rate of Interest Now Being Charged by United States

Attention has been called to an interesting piece of news contained in Secretary McAdoo's recent report to the effect that the policy of lending funds to the Allies at the same rate of interest as that paid by the United States for money has been abandoned. Of total loans to the Allies of three and a third billions of dollars, about one-third carries interest at the rate of 4¼%, whereas the money thus loaned was raised through the sale of 4% Liberty bonds. In explanation, Mr. McAdoo says:

"By the terms of this act (September 24, 1917) the normal rate of interest to be borne by the obligations of the United States issued thereunder could not exceed 4% per annum. At the same time it rendered the bonds thus issuable exempt from certain classifications of taxes, thereby substantially increasing the cost to the Government of the money received from the sale of its obligations by diminishing the amount which it might in turn take from its citizens in taxes. The rate of interest to be charged on the loans to foreign governments under the terms of the act was not definitely fixed, but was left in the discretion of the Secretary, though a minimum was determined to fix the rate at 4¼% per annum, the additional ¼% being added to compensate, in part at least, the loss to the Government due to the tax exemption features on its own obligations above referred to and the cost incurred by the United States of issuing its own bonds. This rate in turn will be further increased in case there should be higher rates of interest paid by the United States during the continuance of the war for the moneys that it may invest in the purchase of foreign obligations."

Inasmuch as the original issue of Liberty 3½s carried a tax-exemption privilege much costlier to the government than the newer issue, it would appear that in making advances of about two and a half billions to the Allies at rates varying from 3% to 3½% this government loaned its funds at considerably less than cost.

BRITAIN'S THRIFT

How Mother Country is Paying Expenses of War by Thrift

England's efforts to pay for the war out of savings were the subject of an address before the Academy of Political Science in New York by Basil P. Blackett, C.B., of the British Treasury. He said in part:

"When the war began the British were in the habit of thinking by departments. Her first big task was to recruit millions of men and to furnish an adequate supply of munitions. Finance was following its own course. The task of raising a war loan of $1,750,000,000 at a time when all the stock exchanges of the world were closed was no small feat. When the Stock Exchange was re-opened in January, 1915, strict limitations on all dealings in capital were imposed to protect the London market against enemy dealings in securities. But the prevention of new issues of capital without treasury approval and the prohibition of sale of securities not in physical possession in the United Kingdom were a first attempt to discourage business not essential for the prosecution of the war. Gradually people came to understand that by refraining from using money for capital expenditures they left a free field to the Government for the labor and materials which the Government desired for war. They gradually realized that men, munitions, supplies and savings were all parts of a single economic task essential to victory.

"Taxation was sharply increased. In the year 1913-14 Great Britain's revenue was $1,000,000,000; in 1916-17 it was $2,870,000,000; in 1917-18 it will be nearly $3,500,000,000.

"The war must now be paid for entirely out of the annual savings of the nations at war. It is, therefore, important that new savings should be effected, especially in the case of Great Britain, which in the six months ending Sept. 30, 1917, has loaned $1,450,000,000 to her Allies.

"How could Great Britain induce her people to save? Experience shows that it is essential to a successful war savings campaign to translate money in terms of goods and services—the things that money can be put in.

"The National War Savings Committee in the beginning of 1916 set to work to explain that there was an absolute shortage of goods and services available for war, that energy must be transferred from the production of non-essentials to that of essentials; that consumption of non-essentials must cease in order that their production might cease. The campaign succeeded largely because of the invention of the war savings certificate, which has served as a model for the American certificate. Local war savings committees and war savings associations were organized throughout the country to persuade the public to buy bonds.

"The success of the war savings campaign has been due to the atmosphere which it created. The committees emphasized the importance of savings and left the question of investment in Government securities in the second place. It directed thought toward the one object of victory and made people understand that saving meant the placing of goods and services in increasing volume at the disposal of the Government, and it, also meant increased production and avoidance of waste, as well as refraining from unnecessary expenditure. Articles produced by voluntary labor increased the goods available for war. The whole nation is thus organized for war, and organized by its own voluntary effort in a democratic war and not by force imposed from above.

"An organization has been built up covering the whole country. There are 1,500 war savings committees and more than 40,000 war savings associations, which latter are clubs for co-operative saving by instalment. The Briton refused to be organized from above, but he quickly understood what was meant by the organizing for war of the people, by the people, for the people. The final consequences have been extraordinary. From the Victory Loan of January and February, 1917, the financiers hope for a total of perhaps $3,000,000,000. The war savings organizations have brought in a total of over $5,000,000,000. The number of holders of war savings certificates is not less than 12,000,000 and it may be as large as 15,000,000. More than a quarter of the population has a direct interest in Government securities.

"The most remarkable result, however, is the immense widening of our outlook and broadening of our vision. The world has been made one in suffering. Everywhere men and women formulate projects implying that never again will the conscience of humanity permit individuals or classes or even individual nations to claim in the exercise of their sovereign powers the right to ride roughshod over the interests of humanity as a whole. All the resources of the British nation are brought to bear on the achievement of this purpose. Thinking in terms of money becomes impossible. This lesson must be learned for peace times as well as war times. Democracy must learn to organize itself for the good of the world. In the dim distance, discerned as yet by faith, the student sees a vision of a new organization, the duty and pleasure of right spending will be known and enjoyed."

EDUCATION NEEDED

Even the Big Investors Sometimes Need Enlightenment

It was not only the laborer and the housekeeper—the buyers of $50 and $100 bonds—that had to be educated in the recent Liberty Loan campaign, says the *Annalist* of New York. A salesman placed a block of $50,000 of the 3½s with a retail merchant in upper New York. A few days ago the holder decided that he would like to sell them and reinvest the proceeds in the 4s at the lower price. The salesman volunteered his services if they were wanted. A day or two later he looked up his customer to ask him if he had made his shift into the higher yield issue yet.

"I haven't quite succeeded in selling the 3½s," said the merchant. "I have had a man nibbling at them, and I think he will give me pretty close to par. I would have let them go before this, but this man is not willing to allow me anything for interest, so I am holding out for par."

When he had recovered, the salesman showed his customer how $50,000 of listed bonds could be sold over the telephone in less than five minutes, with "and interest" added to the price.

TIME IS ALLOWED

Nine Days Leeway to Enable Bankers to Handle Subscriptions

Subscribers to the Victory Loan have been allowed nine days of grace in meeting the payment falling due on January 2. While ostensibly arranged so that the hundreds of thousands of purchasers of bonds might not be inconvenienced in attending to this transaction, there can be little doubt but that the Finance Minister had in view some measure of relief to the bankers. It would have been a superhuman task for them to have handled all the business in one day. Many of them have been dreading the approach of January 2 and the published notice that they may take in subscriptions until January 11 must have come as a very agreeable piece of news. Arrangements are also being made for the banks to remain open on certain evenings for the convenience of those who cannot reach them during the day.

SECRETARY McADOO'S VIEW

Municipal Issue Referred to Him by Bankers for a Ruling

Apropos of Canada's new regulations with respect to capital issues it is interesting to note the stand taken by Secretary of the Treasury McAdoo in the United States. An issue made by the Miami Conservancy District in connection with flood control was referred by the underwriters to the secretary and the following letter was received from him:—

"Permit me to express my appreciation of your patriotic action in consulting me concerning this matter and requesting my opinion before attempting to finance this work at this time. Of course, I have no power or duty in the premises, but in view of the financial situation as affected by the Governments's operations, which should have preference at all times during this war I feel grateful for the opportunity you give me of passing on this matter.

"It is my hope that others charged with similar responsibilities in respect to the financing of enterprises, both public and private, will make it their practice to consult with the Secretary of the Treasury before undertaking any new financing or, indeed, before making commitments or expenditures which would require to be financed by borrowings. It is only by subordinating local and personal interests to the public welfare, and by enforcing the most rigid economy in matters of public and private enterprise, as well as in matters of personal expenditure, that the United States can hope to bear its part of the financial burden of the war and to release sufficient labor and materials for war purposes without depletion of our resources."

So far as municipal financing is concerned, remarks the bond buyer of New York, this is the first capital issue upon which the federal authorities have been asked to pass. Does it mean that all municipal borrowing is to be regulated by the government through the voluntary co-operation of the local governments and the investment bankers? This is not likely to happen just yet. Municipalities to the number of over a thousand are now contemplating bond issues, ranging in size from a few hundred dollars to millions. The Treasury Department could easily express in general terms its ideas regarding the purposes for which it is proper that municipalities should borrow funds at this time and leave the rest to the patriotism of the borrowers and the bankers who handle their securities. If a proper understanding of the nation's needs and the state of the money and other markets is instilled in the minds of taxpayers who authorize and officials who negotiate municipal borrowing, the situation will take care of itself.

"Either the stay-at-homes must save so that the soldiers may get their vital needs, or the soldiers must go short so that the stay-at-homes may fatten. You can not have it both ways and must make your choice," says Lord Northcliffe.

Briefs in the U. S. Government case for the dissolution of the United Shoe Machinery Co., have been filed in the Supreme Court. The case will be reargued January 7.

MacLean's Magazine
for JANUARY

Chasing the Submarine—by a Canadian

A CANADIAN, whose name is withheld, in the Motor Boat Patrol Service in the North Sea, tells in the January MacLean's the story of the work and life and triumphs of the Service to which he is attached. It is a fine performance by MacLean's to get this story for the Canadian people. Successes of this sort have made MacLean's go far forward in public favor during past months.

If the horrid and terrible submarine warfare and the conquest of this pest of the deep interests you, learn more about submarines and their capturing in the January MACLEAN'S, and pass on to others the news of this unsigned contribution.

Ships—more ships—and yet more ships

THIS is a very strong article which Miss Agnes C. Laut contributes. As usual she is very well informed. Regarding the duration of the war she voices American opinion when she says that it is likely to be long drawn-out. The United States people are buckling down to a stern struggle. At this time we want very much to read what well-informed, virile thinkers and writers have to say about the war, since things are not any too bright in certain directions. Miss Laut has a good deal to say about the shipping programme of the United States, and certainly she gives facts and sets us thinking as few writers do.

"Jim" by Robert W. Service

A POEM by this strong poet—a poem wrought amid the smoke and hell of battle, yet fanciful and tender. One wonders how men can write fanciful verse amid surroundings that seem so adverse to thinking and writing, yet some gifted can detach themselves and let fancy play; or is it that their minds see through the real and horrible—through the immediate environment into inner things? Whatever it may be, we ought to be glad for the verse that men like Service give us, remembering how and where it is produced.

Adam and Arthur William Brown, Brothers

ADAM BROWN is a Canadian short story writer of large promise. His brother, William Arthur, is one of New York's foremost illustrators. Both brothers have joined their gifts to make Hannibal Helps a mighty good feature of the January MACLEAN'S.

A New Serial by Alan Sullivan

ALAN SULLIVAN'S recent novel, The Inner Door, is being well received. Perhaps we have no better novelist of his type in Canada to-day. He writes books that show introspection and fine analysis. This serial, The Magic Makers, adds venture and mystery to psychological study, and is a rare good thing. Arthur Heming illustrates the story, which begins in Scotland and is transferred to Canada where the stage is set.

The Regular Departments of MacLean's

REVIEW of Reviews, Women at Work, The Business Outlook—are present in goodly measure. Oppenheim's The Pawns Count, Trench Pictures, and first-class illustrations by artists of note help to make the January MACLEAN'S good value for money.

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RIFLE ORDERS CEASE

British Government Ceases to Make Purchases for Russia

NEW YORK.—The receipt of instructions by the Westinghouse Electric & Manufacturing Co. from the British Government that the additional rifles, the option on which the British authorities recently exercised, would not be needed and that rifle manufacture under the contract should cease, means that within a few months all operations in making rifles for Russia by the New England Westinghouse Co. will be brought to a close. Under the provisions of the contract with the British Government, contemplating such cancellation as has been ordered, rifles in process of manufacture will be completed.

It cannot now be estimated just how many rifles the company will finally make under the contract. The first 1,000,000 were completed a short time ago, and the British Government had exercised options for 600,000 additional, and had until January 1 to use an option for 200,000 more. The total number of rifles specified in the contract was 1,800,000.

BANK COMMERCE A BIG FACTOR IN CANADA'S TRADE

A Big Increase Noted in Loans for Current Business

NATIONAL FINANCING

Part Bank Has Played in Monetary Affairs of Government the Dominant Note of the Annual Report

Although the dominant feature of the annual statement of the Bank of Commerce is the influence of the part which the institution—like the other banks—has played in national financing for the purposes of the war, perhaps even more interesting is the fact that current loans have shown a substantial increase as well as the holdings of government securities. In this respect the document which has been sent to the shareholders for their perusal stands out among the bank reports for 1916 so far presented. Briefly the results shown under analysis of the figures are big increases in holdings of government securities and public securities and in current loans. The changes have resulted in a considerable strengthening of the bank's position so far as immediately available assets are concerned while at the same time a substantial enlargement of profits is shown, thus the shareholders should have reason to feel gratified with the results under the abnormal conditions which have prevailed.

At the end of the fiscal period the holdings of government securities had risen to $27,596,420 and of this $24,814,459 represented increase over the previous year. This increase was the important factor in the strengthening of the liquid position, the immediately available assets showing a total growth of $36,065,570—on the basis of THE FINANCIAL POST'S analysis—the ratio to total assets having improved from 31.08 per cent. to 35.50 per cent. and to liabilities to the public from 34.60 per cent. to 39.99 per cent. Other important changes in the "immediately available" were increases of $4,000,000 in gold reserve, $2,639,434 in Dominion notes, $1,721,807 in specie and $1,294,305 in balances abroad and a decrease of $1,064,433 in call loans abroad.

In addition to the increase in current loans in Canada, amounting to $16,083,897, it is interesting to note that current loans outside Canada decreased by $1,658,287 and that call loans in Canada were down $1,264,270—this decline together with the fall in call loans abroad being a reflection of the contraction of stock market operations. The increase in holdings of public securities—including British government securities floated by the Imperial Munitions Board—was $4.812.222. There was a decline of $1,618,000 in holdings of miscellaneous securities.

Enlarged deposits are at once the main explanation of the widened field of usefulness which the bank has been enabled to fill. Of the growth of $55.947.653 in assets—to a total of over $344.000.000—$23.974.331 was a reflection of higher demand deposits and $22,555.171 of the increase in savings. Liabilities also reveal an increase of $4,735,897 in circulation which may be taken as an indication of the increased currency requirements as the result of the decline in the purchasing power of the dollar. Following are comparative figures:

Immediately Available Liquid Assets

	1917	1916	Change
Specie ..$	22,697,337	$ 20,975,530+	$ 1,721,807
Dom. notes	21,954,910	19,315,476+	2,639,443
N. cir. dep.	831,173	806,964+	24,209
Notes bk.	2,004,762	1,630,360+	374,402
C. lns. ab.	20,076,903	21,141,336—	1,064,433
Bank bal.	....	1,389—	1,389
Do., ab'd	8,496,104	7,201,799+	1,294,305
Gov. sec..	27,596,420	2,781,961+	24,814,459
Cheques..	11,930,875	9,668,099+	2,262,776
Gold res..	10,000,000	6,000,000+	4,000,000
	$125,588,484	$ 89,522,914+	$36,065,570
% total assets	36.50	31.08+	5.42
% total liab. to public...	39.99	34.69+	5.30
Other Assets			
Pub. sec.$	22,095,134	$ 17,282,912+	$ 4,812,222
Other sec.	6,192,462	7,810,462—	1,618,000
Call lns..	13,460,863	14,725,133—	1,264,270
Current .	149,822,028	133,738,131+	16,083,897
Elsewhere	14,846,131	16,504,418—	1,658,287
Over debts	237,796	230,738+	7,058
Lts. of cr.	5,597,665	2,092,640+	3,505,025
Real estate	1,136,999	1,164,458+	27,459
Mort. ...	196,006	389,412—	193,406
Premises..	5,090,075	4,839,457+	250,618
Other ass..	111,589	126,904—	15,315
	$218,786,748	$198,904,665+	$19,882,083
To. ass...	$344,375,232	$288,427,579+	$55,947,653
Liabilities to Public			
Cir. ....$	23,995,245	$ 19,259,348+	$ 4,735,897
Dom. dep.	86,458,403	62,484,072+	23,974,331
Savings .	189,967,251	167,412,080+	22,555,171
Due bks.	580,958	141,317+	439,641
Due else.	7,295,110	5,021,882+	2,273,228
Accept. .	5,597,665	2,092,640+	3,505,025
Bills pay.	120,857	2,186,837—	2,065,980
	$314,015,489	$258,598,176+	$55,417,313
To Shareholders			
Capital .$	15,000,000	$ 15,000,000	....
Reserve .	13,500,000	13,500,000	....
Divid. ..	527,668	527,084+	584
Balance .	1,332,075	802,319+	529,756
	$30,359,743	$ 29,829,403+	$ 530,340
To. liab..	$344,375,232	$288,427,579+	$55,947,653

The Higher Profits

The increase in profits was just about $200,000, the total being $2,637,555 compared with $2,439,415. After distribution there was a total surplus of profits of $1,322,074 in addition to the reserve of $13,500,000, the two items reaching almost to the total of the capital, $15,000,000. Of the surplus $802,319 was brought forward from the previous year. Following are comparative figures:

Profit and Loss Record
Income Account, Years Ended Nov. 30th

	1917	1916	1915
Balance .....$	802,319	$ 461,892	$1,117,763
Profits	2,637,555	2,439,415	* 2,352,035
	$3,439,874	$2,901,307	$3,469,798
Dividends ..	1,500,000	1,500,000	1,500,000
Bonus	300,000	300,000	300,000
Pension fund	85,000	80,000	80,000
War tax on note cir. ..	150,000	147,288	122,907
Patriotic	72,800	71,700	5,000
*Reserve	......	......	1,000,000
Balance......$	1,332,074	$ 802,319	$ 461,892

*Reserve against depreciation of securities.

The Earnings Record

Profits were better than in either of the two last previous years but not so good as in pre-war times. The showing on capital was about 17½ per cent. as compared with a distribution on the stock of 12 per cent. Following are features of the earnings record since 1903:

Record of Profits

For year ending Nov. 30	Profits	% on Capital	% on *Inv.	Div. Paid
1917	$2,637,555	17.58	9.0	10+2
1916	2,439,415	16.26	8.4	10+2
1915	2,352,035	15.68	8.8	10+2
1914	2,668,233	18.00	9.3	10+2
1913	2,992,951	19.95	10.5	10+2
1912	2,811,806	19.29	11.6	10+2
1911	2,305,409	21.28	....	10
1910	1,838,065	18.38	....	9
1909	1,510,695	15.10	....	8
1908	1,627,332	16.27	....	8
1907	1,752,349	17.52	....	8
1906	1,741,125	17.41	....	8
1905	1,376,167	14.44	....	7
1904	1,124,973	12.93	....	7
1903	1,028,509	12.03	....	7

* Per cent. on balance forward at beginning of year, capital and reserve.

THE COLONIAL BANK

Lord Beaverbrook Tells of Program of Expansion

At a special general meeting of the proprietors of the Colonial Bank which as part of a war-time program of expansion has become a factor in the Canadian business field, Lord Beaverbrook, chairman, in presenting resolutions for the increase of the capital to £3,000,000, said:

The expansion of the business, and the figures of the balance-sheet indicate the need for increased capital to provide broader foundations for our growing business. Until the end of 1915 the bank was confined in operations to the West Indies and to the commercial development of those islands. On the 1st January of last year it was decided to emerge from local restrictions and to seek out in other colonies of the Empire the benefits which have accrued to the bank and to its customers in the West Indies. By Act of Parliament in 1916 power was obtained to do business in Great Britain and the Colonies, States and Dependencies of the Empire. The bank immediately availed itself of the extended powers and opened branches in British West Africa. This development served to emphasize the limitations which the territorial restrictions had imposed upon us. Our clients required facilities for their business in foreign territory. Accordingly we asked Parliament for wider powers, and the Act of 1917, which authorized us to increase our capital from £2,000,000 to £5,000,000, gave us permission under our Royal Charter to establish branches and to carry on business in any part of the world.

These developments have resulted in great growth; thus since the outbreak of war the deposits and current accounts have been doubled. The total assets have been doubled, the branches have been doubled in number, and the staff has been doubled. The need for office accommodation at home and abroad is pressing and must be dealt with. Premises admirably suited for our requirements, at Nos. 28 and 29 Gracechurch-street, have been purchased. The acquisition involves an outlay of £85,000, apart from the necessary alterations which will have to be made when the war is over. The purchase of sites and the erection of premises in West Africa will also absorb sums difficult to estimate. Twenty-five sites have been acquired. Building in West Africa is costly, and it is the opinion of the Board that not less than £50,000 will be required in the near future. The directors hold that premises must be provided out of reserves. It is imperative that, with the increase in capital, there shall be an increase in reserve. The directors, therefore, recommend that the premium on the new shares shall be sufficient to maintain the present proportion of reserve to capital.

JAPANESE STEEL OUTPUT

An Increase of About Fifty Per Cent. is Reported

The total producing capacity of Japanese steel mills was 888.000 tons, in round figures, at the end of August according to the Japan *Advertiser*. During the first half of the present year 289.000 tons of various shapes were produced in this country, exclusive of the colonies. Of this amount 200.000 tons were produced by the Government Steel Works. The Japan Steel Tube Co. turned out 22.000 tons: the Japan Steel Works, 14.000 tons: the Kawasaki Dockyard Co., 12,000 tons; and the Kamaishi Steel Works, 10,000 tons.

REACHING OUT TO NEW MARKETS IN PAINT TRADE

Sherwin-Williams Company Has Established Plant in Australia

A SUCCESSFUL ENTERPRISE

President Cottingham Explains How Market Has Been Created for White Lead Owing to Imports Being Cut Off

Special to The Financial Post.

MONTREAL.—It is not often—even in times of peace—that a Canadian industry reaches out to establish a branch in an outside country Before the war Canadian enterprise on several well-known occasions has interested Canadian capital, and developments of a public utility nature have resulted, as in Mexico, Brazil, Cuba and other countries, not limited to this side of the Atlantic, nor the Western Hemisphere. Since war began the covering of outside fields has been limited, almost [illegible] to filling war orders where the incentive provided was a ready-made contract, or to an entry into countries whence the steel cordon of the British Navy shut out the former sources of supply in lines such as paper, pulp, automobiles, or pianos. There are few examples where Canadian manufacturers have seized strategic points outside and established factories that were to enable them to hold permanently the advantage they had gained for the moment. Such a development has been undertaken by the Sherwin-Williams Company of Canada, and hitherto this enterprising step has received little more than passing comment.

White Lead for Australia

As will be noted by a statement of the president of the company, W. H. Cottingham, to THE FINANCIAL POST, the establishment of the works in Australia has rescued that country from being shut off entirely from white lead supplies, while it has added an asset to the company that is likely to prove highly profitable in the near future. Owing to the heavy expenditures required, it did not figure among the "profits" this past year. and its financial needs will tend to delay the payment of dividends, but future results are likely to prove a more than ample compensation to the shareholders. The company have every confidence in maintaining after the war the new field they have entered upon.

"The white lead works which we erected during the past year, and which have just been completed, are the first to be established in Sydney, Australia," said Mr. Cottingham.

"Up to the present white lead has been imported. principally ground in oil, from England, and a little from America. A small quantity of dry white lead has been imported and ground into paint in Australia.

"The white lead which we manufacture is made from Australian pig lead, smelted from Australian ores from the famous Broken Hill mines.

"It was fortunate that our lead plant was erected at this time, because England has prohibited the exportation of white lead. principally on account of transportation difficulties and America has not been able to send much lead to Australia for the same reason.

"The linseed oil which we use for grinding the lead in is crushed in Australia from Indian seed.

"In connection with our Australian lead works we have erected a plant for the manufacture of paints, and also a varnish works.

"Our Australian works will supply the Australian trade of Lewis Berger & Sons, Ltd.. and also the trade of the Sherwin-Williams Company. We will also supply from Sydney the New Zealand trade."

RUSSIAN CONTRACTS

St. Louis Factory Stops Work on Order for 1,950,000 Pairs Shoes

ST. LOUIS.—Because of the unsettled conditions in Russia, contracts for 1,950.000 pairs of shoes, valued at more than $6.000,000, made by the Brown Shoe Co. here, have been held up for an indefinite period, according to E. R. McCarthy, vice-president of the company.

A small order of stock shoes amounting to about $40.000 was shipped from St. Louis. November 23, according to Mr. McCarthy, but the dock bill for them has not yet been received. and the officials of the company believe the shipment will be a loss to them.

The Peruvian Senate has passed bill placing embargo on exportation of foodstuffs needed for home consumption. Peru's chief export food product is sugar, of which she sent abroad about $28,000,000 worth in 1915.

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